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Daily Report

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FBIS-LAT-95-225 *22 November 1995*

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Cuba

Commentary on R. Castro Speech, U.S. 'Diversionary' Program

PA2211041695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 19 Nov 95

[Unattributed commentary from the "NTV" newscast]

[FBIS Translated Text] To know and oppose in each one of its manifestations the diversionary program designed by Washington against our country was one of the topics broached by Army General Raul Castro during the ceremony marking the 33d anniversary of the creation of military counterintelligence.

Raul Castro has said we must not stand idly waiting for the blows they have been announcing and has urged us to be capable of taking an offensive action and foreseeing developments and the ideas of the enemy in order to provide the adequate response at the opportune moment.

During the ceremony marking the 33d anniversary of the incorporation of the military security organization into the Revolutionary Armed Forces [FAR], Army General Raul Castro Ruz spoke and made an assessment of the significance of this event. Later on he referred to the U.S. aggressions against the Cuban Revolution, which range from armed actions to the hardening of the blockade with the idea of causing social outbreaks that would justify a military intervention on the island. He recalled how in the wake of the disappearance of the socialist European countries the Miami mafia asked for a three-day grace period to kill when the revolution fell. To be sure, Raul said, we will never forget that remark.

He has said that when the first measures of the special period were announced in 1990, these [words indistinct] Alexander Watson, assistant secretary for inter-American affairs.

In his speech, Watson referred for the first time to Track Two of the Torricelli law, which seeks to destabilize the revolution from within through ideological infiltration. In addition, Raul said, if we take into consideration as we follow Watson's logic and language that the other side of the Torricelli law—that is, Track One—is wholly devoted to establishing the means that reinforce the blockade, then we will see for ourselves that the legislation as a whole has never been aimed at normalizing relations with Cuba but, rather, at simultaneously using openly hostile means, as well as purportedly peaceful links, to topple the revolutionary government and impose a model dictated by Washington.

Raul made it very clear that that is the U.S. policy toward Cuba, and that it will never be accepted as the basis of a negotiation to which we will only participate without conditions. In this regard, the FAR minister added that we are fully aware of the challenge entailed in the much vaunted Track Two of the Torricelli law or, as some call it, the rotten carrot that such a plot offers, and for that reason we are not standing idly by but, rather, are ready to prepare the response that may be capable in a political and ideological field of facing it in its entire scope.

Raul also referred to studies conducted by U.S. military institutions, the words of the U.S. President, the Cuban community in the United States, as well as to remarks by senior White House and State Department officials, all of them aimed at destroying and undermining the revolution in a gradual and subtle manner. In summarizing the measures Clinton announced a few weeks ago, Raul said they are in total harmony with destabilization plans. On one hand, they do not change the blockade substantially, while on the other they open the doors to activities that may have an influence on the social sectors they regard as vulnerable.

In this regard, he has said that along with these efforts, the enemies believe they, in one way or another, play the game of their machinations, the deformations that could arise in the circles of the country's superstructure, including the signs of moral weakness, an increase in the simulation, and the corruption cases, to which I would add, Raul affirmed, that they also use in their favor the political naivete from which certain good comrades still suffer.

Raul made a call to reflect on the circumstances and the fighting style we have ahead of us, which even though is different in many aspects from the one we have known for 36 years ago, it seeks the same counterrevolutionary objectives. In this regard, he added that if this goal has failed to prosper even more, it is because the Miami extreme right of Cuban origin and its Congress allies admit only to close the siege even more until forcing us to surrender, a surrender that, certainly, will never be achieved, Raul has said. He also talked about the decisive role the party will have to play under the current circumstances: Getting all patriotic forces together.

The FAR minister also referred to the significant role the state security organizations will have to play [words indistinct] against military counterintelligence and attune the preparation plans for our cadres to the features of the new and multifaceted confrontation that entails the design [words indistinct] and affirmed that the plans of the enemy will crash against our people's strong resolve to defend the achievements for which many generations of Cubans have fought.

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President Praises Democratic System, People's Councils

PA2111125195 Havana Radio Rebelde Network in Spanish 1800 GMT 14 Nov 95

[Report by Cesar Arredondo and Dulce Maria Corbello; from the "National Radio News"]

[FBIS Translated Text] President Fidel Castro recently defended the democratic system that prevails in the island based on the people's government, because millions of persons can appoint candidates and elect their representatives. The issue was reviewed at the conclusion of a meeting held on Saturday at the Council of State headquarters to celebrate the fifth anniversary of the people's councils.

The leader of the Cuban revolution commented that there are people who portray as a model of democracy those forms that break up a society, adding that every time someone tells him about multiparty systems he always replies Cuba has a million-party system because millions of people have the right to propose their candidates here. He said it is a source of pride that no other country in the world has a similar system in which the people, rather than the party, participate in the election of their rulers.

Referring to the people's councils, Fidel highlighted the work carried out by their presidents in five years. Our commander in chief said these have been years that will go down in our country's history as the most glorious and meritorious, and they proved the strength of the revolution and its ties to the masses, in accordance with its principles.

The meeting, reported today by the newspaper GRANMA, served as a framework to analyze positive aspects and the most relevant problems in the work carried out by the people's councils, as well as suggestions to improve the role of these important factors in the work of the people's government.

President Greets Ranking Brazilian Official

PA2111191695 Havana Cuba Vision Network in Spanish 0100 GMT 17 Nov 95

[Report by Hector Martinez; from the "NTV" newscast]

[FBIS Translated Text] President Fidel Castro on 15 November welcomed Ronaldo Mota Sardenberg, secretary of strategic affairs for the Brazilian Presidency. During a news conference on 16 November, the visitor described bilateral relations between the two countries as very positive.

[Martinez] The high-ranking Brazilian official confirmed that relations remain intense at official and private levels, although bilateral trade decreased slightly during 1995 because of the government change in his country:

[Begin Mota recording, in Spanish] Relations exist; they are very strong and spontaneous. More than promoting them, we need to preserve their spontaneity [passage indistinct]. [end recording]

[Martinez] The secretary of strategic affairs did not rule out the start of negotiations to sign economic agreements between Cuba and the Common Market of the South, of which Brazil is a member. During his stay in Havana Ronaldo Mota also met with top government officials and visited economic and tourist locations on the island.

Commander in Chief Inaugurates Plaza in Old Havana

PA2111192395 Havana Cuba Vision Network in Spanish 0100 GMT 17 Nov 95

[Report by Ester Barroso; from the "NTV" newscast]

[FBIS Translated Excerpt] Commander in Chief Fidel Castro on 16 November attended the inauguration of the Ruminahui Plaza in Old Havana where the monument to this Indian leader, who defended the Kingdom of Quito from the conquistadors, is located. It is a creation of Ecuadoran painter Osvaldo Guayasamin, who has been in Cuba for the past days.

Fidel also visited the living room of Guayasamin House, where his portrait, which was recently completed by the Ecuadoran artist, is on display. This portrait is called Fidel's Hands. The commander described the portrait as magnificent. At Guayasamin House he also visited an exhibit by Camaguey artist (Carlos Planos). [passage omitted]

Foreign Minister Interviewed on Economy, Castro Role

PA2211023295 Caracas EL UNIVERSAL in Spanish 19 Nov 95 p 1-12

[Interview with Foreign Minister Roberto Robaina by Roberto Giusti; place, date not given — first three paragraphs are an introduction]

[FBIS Translated Text] Hello, I cannot hear you. Please repeat that. Robertico Robaina—the diminutive is used by Cubans to denote those from Fidel Castro on down—shouts through a telephone in a hotel room twice the size of the Tamanaco, while his son in Havana must conform himself to listening to the distant murmur of something resembling his father's voice. Contaminated with noise

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and static, communications between Venezuela and Cuba are no better than in the 1960's.

A black suit with wide lapels and sleeves gathered above the elbows, a gold chain dancing on his right wrist, sideburns cut above the ears, and moccasins without suffocating socks make up the attire of Robertico, who some unknowing customer mistakes for Ruben Blades as he quicksteps through the lobby.

But no, it is the Cuban foreign minister, defying the ritual tropical pleated jacket of Cuban officials, who finds a way to distinguish himself from the mid-level bureaucracy with the same personality and audacity with which he has scaled the heights of the hierarchy—from the inferior levels of the party to the head of the Young Communists Union and from there to the Foreign Ministry, an exemplary trajectory based on calculated unconformity and an irreverence the regime not only tolerates but inspires and encourages.

[Giusti] Some years ago, the slogan in Cuba was "Socialism or death." It seems that that slogan has been replaced by "market or death."

[Robaina] For us the slogan "socialism or death" is still enforced. I interpret it as our will to preserve life and achieve socialism, because the more I know about the market and capitalism, the more I cling to socialism, and not to death but to life. We need life to achieve socialism, that same life which has distanced us from socialism, postponing some of our dreams. The discovery of and the relationship with the markets have caused a majority of Cubans to meditate on what we theoretically wanted from socialism. Unfortunately, not all the circumstances are ripe for achieving what we want.

[Giusti] You perceive, then, the market era in Cuba as a necessary step that will inevitably lead you to socialism?

[Robaina] We have not renounced that path nor the socialist ideal. For us, the market is a reality with which we must live, and there is nothing in writing anywhere stating that socialism cannot coexist with the market. In the world, there are people who have already baptized the "socialism of the market." We have not adopted that term or have said we invented it. Many of the things we have done—and I do not like the phrase have been "obligated" to do—have been imposed on us by life. We do not regret saying we have no other choice if the world is that complex and difficult. We simply accept the fact and try to change as much as we are allowed to change in this world. It is a transitional stage I cannot say will disappear. I see so great a future that perhaps the moment will come when socialism and the market will live together.

On Female and Male Prostitutes

[Giusti] Commander Castro has condemned the farmers market as a corruptive element. May we surmise that the multinational corporations reaching Cuba will have a greater capability to corrupt Cubans?

[Robaina] Severe comments made at a determined moment do not correspond with the concept we are now applying. Any process of change creates risks, and we are willing to face those risks. The comments regarding the free farmers markets did not refer as much to their essential contents but, rather, to the element of greater risk, the appearance of an intermediary that wanted to grow rich at the expense of the farmers and the needs of the people. Farmers markets exist today, because we can control those with the established regulations and the participation of the state. Regarding the multinational corporations, we have approved a law for foreign investments. Companies cannot enter Cuba just because they want to, because only those companies in which Cuba is interested can enter Cuba. We know that these new relationships will bring new risks to our country, but the consequences would be even worse if to avoid that influence we totally denied any kind of relationship with the world, which, whether we like it, is overwhelmingly capitalistic.

[Giusti] That is, "market or death?"

[Robaina] I do not think so, because we certainly would not fight as much for the market as we have fought for socialism. Whenever we can, we will try to influence that market to prevent the harm it will inevitably cause us.

[Giusti] Harm that is evident concerning streetwalkers.

[Robaina] They were present, however, before the market was present. We did not need to enter the market for the streetwalkers to appear.

[Giusti] Commander Castro has always cited the dignifying of the Cuban woman and the end of the whorehouses that predominated in Batista's Cuba as one of the achievements of the revolution.

[Giusti] To be more exact and just, we should note that there are not only women but male prostitutes as well. In any case, I was not referring to the reappearance but, rather, to a public growth of a movement. As you well know, we still maintain our position regarding something that lies much deeper: The system does not prostitute you, the system does not allow prostitution as a policy. That is one thing. It is another thing if determined issues arise in a society. The fact that we do not accept prostitution, or foster it, does not mean it has disappeared. As has been seen, it has resurfaced

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with the arrival of tourism. The numbers do not concern us, or rather, they do concern us although they are very low. It is a social cost we are paying. What is important is to tell the world that we have something else besides female or male prostitutes.

The "Worms" Will Not Pass

[Giusti] The differences, not welcome in Cuba, between those who work in the tourist sector and have access to dollars and those who do not is greater each day.

[Robaina] They are social differences that we would not have if we had to choose them. Cuba has not had the opportunity to choose, although there are factors that should be stressed. Today, the U.S. dollar does not enter Cuba only through those who have ties with the tourist industry. Thanks to the convertible peso, another important part of the population has access to currency, and sectors such as the sugar industry have benefited from a process in which the differences are less each day, without falling into cheap egalitarianism, a path on which we have also traveled.

[Giusti] Oddly enough, the Cuban Law on Foreign Investments has been accused of being ultraliberal.

[Robaina] The regulations were so harsh before the Investment Law existed that they did not permit any investment. Now they say they are too liberal. The fact the law is very extensive does not mean all of it will be implemented. For example, the law does not reject 100 percent of investments by foreign investors. That is not a priority issue at this time. The fact the law includes 100 percent investment does not mean we will allow this immediately. The strength of the law is linked to the amount of time it took to draft it after studying a great number of the laws of many countries, and we wanted it to be so flexible that nothing nor anyone would be excluded.

[Giusti] In the end, what model was adopted?

[Robaina] We studied many models. We talked with businessmen and specialists in Spain, France, Canada, and Latin America. We studied Central American and Caribbean laws. The law turned out to be so extensive that it includes the possibility of investment by Cubans residing outside of Cuba, a point which seemed impossible a few years ago and is still a controversial issue that has been very much questioned internationally.

[Giusti] Even the most recalcitrant Miami residents can invest in Cuba?

[Robaina] We do not discriminate against those Cubans residing outside of Cuba, but are we going to allow those who want our heads to invest in Cuba even though the law favors it?

[Giusti] You do not discriminate against them, but you do have a name for them. You call them "worms."

[Robaina] That is not correct, because not all Cubans living in Miami are the same. It is not whether the extreme right is interested in investing in Cuba but, rather, that Cuba will not allow it, whether the laws allow it.

[Giusti] At any rate, won't the presence of so many agents of international capitalism change the course you want to give Cuba?

[Robaina] Those are the risks, but there are things the country is unwilling to lose or give up. At any rate, we do not have the flood of investors your question implies. The blockade has regulated the arrival of foreigners, and that point has allowed us to prepare for the lifting of the blockade. Something good had to come of the blockade.

A Nagging Priority: Economic Salvation

[Giusti] In the early 1990's, certain progressive circles of the Communist Party of Cuba, including yourself, proposed a number of reforms, such as the separation of powers and the creation of the post of prime minister to be occupied by someone else other than Commander Castro. These reforms were rejected with the argument that the economic crisis would not allow them. It was said then that the country would be mature enough for such changes perhaps during the 1990's.

[Robaina] There are many interpretations regarding what are considered to be political reforms. An investment law such as that passed in Cuba introduces very important elements for political and economic change. We have gotten through the economic crisis somehow. We stopped the shrinking of the economy, but our priority is still the salvation of our economy, to find a way out, although none of these approaches, of which there are differing ideas, is completely closed. Just as the relationship with the radical Cuban community outside Cuba has never been closed, the country will continue improving its own political and economic way of life, as it moves toward more normal conditions. We are living under abnormal conditions. It is difficult to talk about the changes to be made when the U.S. Congress is debating a proposal that will surpass the Torricelli law and whose aim is to destroy us.

[Giusti] There is speculation in the United States that in exchange for a veto of the Helms-Burton bill, Cuba will release a group of political prisoners.

[Robaina] That is one of many speculations about us in the United States. Cuba will not negotiate the blockade issue or the law to seek a veto. That is one of the illusions many countries in the world have regarding

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the undisclosed relations between Cuba and the United States.

[Giusti] Politics is also the art of concession, however.

[Robaina] Yes, we have done many things throughout the world for political reasons. The parties with which we have not reached an understanding are those that make demands on us without giving anything in exchange. For the United States, it is "until Cuba does this, we will not do that." We are more modest: "Let us work together but do not impose any preconditions on us." We are faced with an example of outlandish arrogance that has worked in many areas of the world. Not in Cuba.

There Is Democracy in Cuba

[Giusti] Commander Castro said during the 4th Congress of the Communist Party of Cuba that the "so-called Western democracies have nothing to do with democracy. It is complete garbage." Castro has also said "the multiparty system is a multi-garbage system." Does the Cuban Government still maintain this position as its official policy?

[Robaina] Fidel's comments should be weighed in a specific context, and it would only be right to ask for Castro's opinion regarding the context in which that issue might be raised today. At that moment, due to an exaggerated movement that Cuba adopt the Western democratic model and the multiparty system as its only option, Cuba and Commander Castro expressed their position. I can assure you, however, that we maintain relations based on respect with all democracies and multiparty systems, and I ask that you do not interpret those statements as a condemnation of everything pertaining to Western democracy. We in Cuba do not judge what the world does, and we hope the world will not try to impose upon us something which is alien to our culture and traditions.

[Giusti] The democratic option cannot be ruled out, however, simply because it is not part of a tradition. Russia never had a democracy, and it has one now.

[Robaina] No one besides the Soviets or the Russians themselves know what they had, what they lost, and what they have not achieved. They may have lots of window shops, the shops of capitalism, but we must stop and evaluate what this people lost. That model had many things that could be changed, but they made so many changes that they got lost. I hope they will be able along the way to find the solutions, which they theoretically want for the majorities but which are not in keeping with the reality on the streets.

[Giusti] Wouldn't the opening of democratic paths be the best way to save the revolution?

[Robaina] We are following a democratic path in Cuba and have elections, even though they are different.

[Giusti] With a single party, without other options?

[Robaina] The party does not nominate or elect anyone. The world does know that half our congress consists of people who do not belong to the party and who may hold any type of belief. A candidate is nominated and elected by his barrio, but the question is a difficult one: When will elections be held in Cuba? I would suggest you make a better question. How are elections held in Cuba? I could explain it to you, and you may agree with our methods, but there is nothing written anywhere saying the Cuban elections must resemble those of other countries that have no relation to our surroundings and reality. Our model is probably not perfect, but we, Cubans, chose it. I am not saying that is the recipe, but it is our recipe.

Fidel Does Not Frighten Me

[Giusti] That position contrasts with your proposals as head of the Union of Young Communists [UJC], when you demanded changes and showed some disrespect in the presence of Commander Castro.

[Robaina] I have not been in the Foreign Ministry that long to have reached the point of changing positions because of my post, first because when I was appointed foreign minister I was well aware of what I did at the UJC. I did not work at the back of the government, which I defend and represent. My commitment is the same, both then and now. Besides, far from taking a step backward in my convictions, I have moved even further now than during previous stages.

I do not believe in change for the sake of change but, rather, a change that can allow us to tell the world that 5.7 million Cubans are under the age of 30. When I took my first steps in life, many questions had answers that must now be updated, and I am a part of those new answers that have emerged from the government. Relations with Cubans abroad were unthinkable for me when I was secretary of the UJC, but I am the public face of that policy, which is not my policy and which must be expanded even further. Now, I have not defended and I do not uphold the idea of turning over the country to them or to a multiparty system, because I believe these are not valid solutions for Cubans, even though I am one of those who never say never. What will happen in three years? No one can force me to give an answer when I do not know what actions will be taken against us.

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[Giusti] Cuban groups living on the island insist on their right to assemble and to organize themselves.

[Robaina] That has not been proposed. When people talk to us so much about an opposition, I recall that those who try to organize themselves in this manner have lost their credibility by seeking support let us not say from the government but, rather, from the U.S. Interests Office. We have the best organized opposition on earth. I am amazed at how they are able to publish their articles all over the world even though they are so repressed. We, therefore, must see how far the repression goes. When the country is in danger, we must be more united than ever. Our priority cannot be to divide when we are as much threatened or more threatened than 30 years ago. Cubans did not invent this. It was invented by those who say "we are not going to approve the Helms Bill, because we can change them with the Torricelli law."

[Giusti] U.S. pressure is, therefore, preventing you from opening up the channels of freedom?

[Robaina] We opened up the channels of freedom 36 years ago. There are many opinions as to what "the channels of freedom" are.

[Giusti] The right to form organizations, to protest against the government, to promote change, to change a president.

[Robaina] We changed our president...we changed the mechanism.

[Giusti] For the last 36 years, the Cuban president has ruled a population of young people, however, as you say. Don't these young people deserve the opportunity to choose if they want to govern themselves?

[Robaina] Our young people govern themselves, not exactly with the responsibility of a president. There are more youths with power in Cuba than in countries to which we are often compared.

[Giusti] Don't you think you would make a better president than Commander Castro?

[Robaina] I do not think I would make a better president than Commander Castro.

[Giusti] Isn't there a certain reverential fear in that answer?

[Robaina] I do not feel any reverential fear, because Fidel has an experience which I lack, a tradition and a moral authority that is needed in the country to face a challenge such as the one we are experiencing. I can tell you that as a Cuban and without showing any reverence or irreverence. Absolutely not. Simply that.

Foreign Minister Arrives in Australia for Visit

PA2111194795 Havana PRENSA LATINA in Spanish 1304 GMT 21 Nov 95

[FBIS Translated Text] Sydney, 21 Nov (PL) — Foreign Minister Roberto Robaina arrived in Australia today on an official six-day visit, the first of a Cuban foreign minister to the island-continent.

According to official sources, Robaina will meet with government officials, businessmen, and leaders of local organizations in Sydney, Melbourne, and Canberra.

The Latin American foreign minister's visit follows Australian Foreign Minister Gareth Evans' visit to Cuba at the beginning of 1995.

Industry Minister: Rapid Grinding of Sugarcane Needed

PA2011153895 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Nov 95

[From the "National Radio News" newscast]

[FBIS Translated Text] Grinding old sugarcane, that is, sugarcane that is more than 24 to 36 hours old after cutting, was the cause of the loss of large volumes of sugar in previous harvests. The goal of the harvest that is about to begin is to grind sugarcane less than 12 hours after being cut, Sugar Industry Minister Nelson Torres said:

[Begin Torres recording] The most important thing is to reduce the unloading time. We have discussed this at each CAI [Agroindustrial Complex]. We talked about the deterioration and the loss of sugar every hour that the sugarcane is not unloaded. We discussed this graph to understand what is happening here. [end recording]

Nelson pointed out that the Control and Analysis Department must help to achieve the goal of grinding fresh sugarcane.

Panel Discusses Need to Revitalize Ties With Russia

PA1811042695 Havana Radio Rebelde Network in Spanish 1700 GMT 15 Nov 95

["Straight Talk" program with host Osvaldo Rodriguez and guest Eddy Jimenez]

[FBIS Translated Text] [Rodriguez] Eddy, this is great news for all Cubans. The majority of the technology behind our transport and all — a huge part of it — of our industry comes from the extinct Soviet camp and most of it from the area now occupied by Russia. Everyone knows that Russia occupies the largest part of the former Soviet Union. I think that revitalizing

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relations with Russia — today's issue — is an issue of great importance to all Cubans.

[Jimenez] Yes, yes it is. First of all, it is something both Cuba and Russia need. It is impossible to ignore that the relations with the extinct Soviet camp, specifically with the Soviet Union, during 30 years left very important marks on everything here, especially on our economy. Relations, which left very deep marks. First of all there is a difference, we are trying to improve... [pauses] Approximately 30 percent of our trade is with Latin America... [pauses] with America in general...

[Rodriguez, interrupting] Yes, with America in general because you must include Canada.

[Jimenez] Exactly! Our economic dependence on the former Soviet Union — currently the Russian Federation — is still very important. On the one hand, we have all that technology, as you pointed out before. Before, over 70 percent of our trade was with that area. Therefore, it is not only a problem regarding technology but also a trade problem. We must point out that trade was never completely shut down.

[Rodriguez] Yes, I am glad you pointed that out!

[Jimenez] Right! However, it dropped to a minimum level. I mean it was reduced to only trading sugar for oil. We do not think that trade levels will ever regain their former level, however, today Russia is still our main trade partner. This is something that is very important for our economy.

[Rodriguez] Yes, independently not as a region but as a country, it is still one of our main partners.

[Jimenez] They are very important, regarding the technological field. Everyone knows that European technology, especially from what is today Russia, came to fill the gap that was opened due to the U.S. blockade. I mean, we had to transform all of our technology.

[Rodriguez] You pointed out the need for these relations, regarding trade. I am thinking now that many of our raw materials and many other needs, such as the technology required for producing feed and fertilizers, call for large amounts of raw materials...

[Jimenez, interrupting] Which come from that area!

[Rodriguez] We need so many raw materials that only a huge country and producer, such as Russia, could supply us.

[Jimenez] We must bear in mind, technology — if not totally, quite a lot —came to fill the gap... [pauses] It developed our economy. Therefore, it is quite clear that if we want to implement a methodic technological reorganization [reordenamiento] and if we want to diversify our trade and technological resources, it is very important to maintain good relations with the Russian Federation. This will allow us to better plan our economy's reorganization.

[Rodriguez] Eddy, we have been talking about this from an economic point of view. I would now want you to talk about what this revitalization represents to us politically.

[Jimenez] I was going to talk about that as well. It is important to point out that these relations are not only important to us. The Russian Federation also has economic and political interest. I am going to quote the head of the economic policy committee from the Russian Duma's lower legislative body. At the beginning of this year, he complained about the irrational way Russia had lost its vanguard role in all aspects of relations — political and economical — with Cuba. He complained about having lost great opportunities in the electronic, fuel and metallurgic sectors, here in Cuba. It is no secret that due to economic reasons... [pauses] I am talking about the period of chaos which followed the Soviet Union's disintegration. Furthermore, relations were reduced to a minimum due to political reasons. What I mean by political reasons is that there was pressure from the United States and from reactionary circles within Russia.

[Rodriguez] Therefore, revitalizing relations is mutually beneficial.

[Jimenez] It certainly is and they are very interested in it as well. They are interested politically and economically, but especially economically. Bear in mind, that Russia is a world power — even if it has dropped to a second—level world power — and wants to maintain relations with everyone, including Latin America. In that sense, Cuba could have been the forefront for trade with Latin America. All they had advanced in that area was lost.

[Rodriguez] I agree with you, Russia did fall to a second-level world power. However, let's not forget that they still sit on the UN's Security Council. That means they raise their hand and they have a right to veto.

[Jimenez] True.

[Rodriguez] Let's not forget Russia holds that very important and strategic position.

[Jimenez] Luckily, through revitalizing relations, we have seen that Russians look upon Cuba's problems in another light. For example, look at the recent meeting of the UN's General Assembly, the Russian vote supported Cuba. Furthermore, both of Russia's legislative bodies have expressed their support to Cuba and have rejected

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the Helms-Burton bill. You wanted me to talk about revitalizing political relations, well, as you can see its happening.

[Rodriguez] We can not forget that during many years we maintained fraternal and sincere relations with many of the people who have jobs of authority today in Russia, with the Russian people, and with the rest of the countries that were once part of the Soviet Union. That is why immediately after the division of the Soviet Union into republics, we established relations with each republic — at least with the most important republics — that made up the former Soviet Union.

[Jimenez] Osvaldo, not only the countries that made up the former Soviet Union. The same thing is happening with Czechoslovakia, they are very eager. Recently, we saw a report that they are very interested in investing here and establishing joint ventures in the electrical sector. Remember, 25 percent of the energy produced in Cuba comes from electrical plants that run on Czechoslovakian — I mean from the former Czechoslovakia — technology. Getting back to the Russian issue, we can see that political and economic relations have been slowly improving and not only during the last few weeks. At the beginning of this year we signed the 1995 agreement for the exchange of sugar for oil. In the last few weeks, we received the visit of the highest ranking Russian official to visit Cuba since 1991. I mean since the disintegration of the former Soviet Union.

[Rodriguez] Eddy, I think that you are right. I would like you to talk about how revitalizing relations can motivate relations between our peoples. I mean beyond political and economic relations, just relations between our peoples. I think we have sincere friends over there in Russia. They are very interested in maintaining good relations. Furthermore, I think that we are related ethnically. Quite a few marriages have taken place. A lot of families have had a descendent who we could call a Cuban-Russian.

[Jimenez] Yes and thousands of Cubans went to the former Soviet Union to study. There is a brotherhood between us. Also, thousands of Russians came to Cuba. They worked here and they did their internationalist duty by contributing to the improvement of the Cuban armed forces. A human bond exists. Thousands of Cubans speak Russian and thousands of Russians speak Spanish thanks to having been in Cuba.

[Rodriguez] Even Radio Rebelde aired a Russian language course!

[Jimenez] Yes, I think that revitalizing relations — even human relations —is beneficial from all points of view. That is the truth. Getting back to the recent visit of the Russian official to Cuba, very important agreements were signed. We signed a trade protocol for 1996-98. That is three years. We are not considering trade relations for a short period of time, now, we are planning trade relations for a three year period. We also signed a protocol for exchange in the tourist sector. Something very important, the joint venture [grupo mixto] that will put the Juragua Nuclear Plant into operation was established.

[Rodriguez] That is very important.

[Jimenez] Yes, third [word indistinct] countries that are going to cooperate with us in this venture. They are going to cooperate with us economically and form a joint enterprise.

[Rodriguez] More than cooperating with us, I think is a business venture. It is a third partner and the profits will be divided up among the three.

[Jimenez] Bear in mind the importance of all of this, if only one of the plant's reactors comes on line it will mean saving 600,000 metric tons of oil a year.

[Rodriguez] Yes that is a huge savings. Furthermore, not only saving oil is important, but, it also means guaranteeing the stability of the electrical energy production sector. Remember, now when the new Guiteras Electrical Plant, in Matanzas, goes off line due to maintenance immediately thereafter the long electrical shortages begin. When the plant comes back on line, then we go back to the normal and previously planned blackouts. When the Juragua Nuclear Plant begins to function I think it will help the situation a lot. This is something well-known among our Russian — formerly soviet — counterparts. The reason behind implementing nuclear technology — to generate energy — is Cuba's need to be self-sufficient in the energy production sector. Cuba is an island.

[Jimenez] In this association, Russia and Cuba are the main partners. The main partners regarding investment and as you said there would also be other partners. There is something else I would like to talk about now, comrades have come up to me and asked me what will happen in Cuba. The situation in Russia is still complex and convulsive. Elections are going to be held shortly. There is talk about the ultranationalists becoming the legislative majority. I would like to answer these people by saying that I am not worried. First of all, I think that if Russia wants to play a role of some importance in the world community they must keep their relations. They must increase their relations with the rest of the world. They know this is true. Anyone who obtains the legislative majority or even the presidency next year,

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will have to maintain this line of good relations with their neighbors, as well as with Cuba — even if we are thousands of kilometers away.

[Rodriguez] Eddy, thank you very much for analyzing the good news — the revitalization of relations with Russia — here with us today.

Weekly: Economic Changes Not To Lead to Capitalism

PA2111203795 Havana PRENSA LATINA in Spanish 1337 GMT 20 Nov 95

[FBIS Translated Text] Havana, 20 Nov (PL) — The Cuban strategy to pull the country out of the profound economic crisis in which it has been immersed will not lead to capitalism but will strengthen the revolution and maintain its ideals alive, an editorial by weekly TRABAJADORES affirmed today.

In an analysis of the concepts of the 17th Congress of the Cuban Workers Federation [CTC] to be held next April, the newspaper notes that "we do not want the prevalence of an alienating market that imposes its blind laws on society."

While acknowledging the importance of the opening to foreign capital, TRABAJADORES commends the wish and sentiment of the island to prevent the logic of the market from dictating the final decisions on the transformation process.

"Neither the marketing system [mercadocracia] nor the fear of the market system [mercadofobia]: Those are the limits of our flexibility," the official mouthpiece of the Cuban unions stated.

According to the weekly, these concepts maintain that a properly run state enterprise does not have to be inferior to any other mode of business ownership and that the former will keep its fundamental importance in the island's economy.

Herein — it states — lies the certainty that "we can make as many changes as necessary without losing power, without ceasing to be a society of the workers and for the workers.

In Cuba, no mechanism, regulation, or formula of pure economics can make efficiency and competitiveness widespread without having the understanding, support, conscious commitment, and patriotic and revolutionary efforts of the workers, the newspaper reiterates.

TRABAJADORES recalls that the discussion of the concepts will take place now that there are specific indications that the Cuban strategy is aimed at guaranteeing the country's sovereignty and preserving its gains constitutes a viable course that leads to success.

The editorial stresses that forecasts of economic growth between 2.5 percent to 3 percent, the evident reactivation of several sectors, and the start of the recovery of the sugar industry confirm that the country is advancing toward overcoming the crisis in which it has been immersed.

Radio Commentary: Economy Recovering 'Slowly'

PA2111024695 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Nov 95

["Havana Radio Comments" commentary read by Norberto Hernandez from the "Evening Information Review" newscast]

[FBIS Translated Text] As 1995 draws to a close, it is already evident that the Cuban economy, in total readjustment since the disappearance of the Eastern Europe's socialist camp, has begun to recover slowly, yet firmly and stably. Economy and Planning Minister Jose Luis Rodriguez recently announced that Cuba will register an economic growth of 2.5 percent at the end of December of this year. The official reports notes that almost all the sectors of the economy, except sugar production, have registered a reactivation. The latter, however, is just now beginning to have a minimum of resources to begin to regain levels that were lost. The nickel industry grew by 74 percent in the first months of the year. The production of this valuable mineral has become stable, and it currently has a good price in the world market. Cuba has one of the world's largest nickel reserves.

The tourism industry, which has been vigorously reactivated in recent years, will yield over $1 billion in gross earnings at the end of 1995, and everything seems to indicate that the upward trend will continue. The extraction of oil will continue to grow beyond the already registered 1.3 million metric tons a year. Tobacco, another of Cuba's main export products because of its world renowned quality, grew over 60 percent this year. Fishery, which had dropped sharply in the past two years, has grown by 14 percent.

The recently enacted foreign investments law has stimulated considerably the flow of capitals, and over 300 proposals to create joint ventures and other businesses with the Cuba state are being studied. There are already 212 entities of this nature with foreign capital from 53 countries. The capital flow totals over $2 billion, and investments cover 30 sectors of the Cuban economy. If in the harvest that begins at the end of the year, the sugar industry manages to surpass last year's production level, which was a little less than three million metric tons or the lowest in the past 50 years, a major leap in the economic recovery of the country would have been

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taken. This leap would be precisely when the pressure from the U.S. Government is greatest through the commercial and financial blockade it maintains against Cuba to sink economically this small Latin American nation that does not yield to that country's intentions. While the U.S. Government makes tremendous efforts to destroy the Cuban economy, not a single hospital or school has been closed in this country and the high levels of health attained by the Cuban medical care service are maintained.

Workers' Federation Head on Official Visit to Vietnam

PA2111012395 Havana Radio Havana Cuba in Spanish 1300 GMT 20 Nov 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Pedro Ross Leal, the secretary general of the Cuban Workers' Federation (CTC) has initiated a four-day visit to Vietnam. The objective of his visit is to strengthen the ties of cooperation and friendship between labor organizations in both countries. Ross Leal was received by his Vietnamese counterpart, (Hu Yen Van Thu), and visited the union headquarters in Hanoi, the country's capital city. During his stay in Vietnam, the Cuban labor leader will visit Ho Chi Minh City, which was formerly called Saigon, and will also meet with labor leaders in that city.

Workers' Federation Head Urges Unity of Labor Class

PA2011195195 Havana PRENSA LATINA in Spanish 2115 GMT 13 Nov 95

[FBIS Translated Text] Havana, 13 Nov (PL) — Pedro Ross Leal, secretary general of the Cuban Workers' Federation (CTC), today called for the strengthening of the unity of the country's labor class and demanded stronger actions by the unions in defense of its members.

Ross said the 17th CTC Congress, which will be held in this capital from 27 to 30 April 1996, will include among its main debate topics the unions as organizations created "for and by" the workers and the protection of workers vis-a-vis management.

Commenting on the ideas that will serve as the basis for the discussions in this event, Ross indicated that they seek to reaffirm the socialist course of the Cuban revolution and preserve national sovereignty, independence, and unity.

"Our strategy does not lead to capitalism, we will not renounce either the revolutionary project or work," the labor leader said in reference to one of the sections of the congress that will analyze the changes introduced into the island's economy with some market elements.

Union action in the so-called collective bargaining (a type of agreement between management and the workers' representatives to guarantee protection to workers) will also be among the issues to be addressed, given the increasingly more frequent emergence of enterprises with both local and foreign capital.

He also mentioned the struggle for economic efficiency, employment, labor reorganization, salaries, material incentives for workers, supplementing the labor force in agriculture not related to sugarcane, as well as other issues of importance to the country.

A special section will focus on the effort the agriculture workers must make to increase sugar production, a main Cuban economic sector, and to intensify the struggle to achieve an efficient and competitive economy.

The 17th CTC Congress, Ross said, will place emphasis on increasing the unions' influence among workers, providing more attention to them, and protecting the union leaders in the face of possible disputes with management. Ross stressed that "to defend the revolution is to guarantee our power."

Communications Group To Provide Advanced Technology

PA2111042095 Havana PRENSA LATINA in Spanish 1706 GMT 19 Nov 95

[FBIS Translated Text] Havana, 19 Nov (PL) — Silvano Colas, general manager of the Cuban Telecommunications Enterprise, Inc., (ETECSA), announced today that ETECSA has controlled the deterioration of the national telephone system and that in seven years it will equip the country with the most advanced technology in this sector.

During the first science and technology forum held by the Cuban- Mexican enterprise, Colas, who is the country's communications minister, said there are plans to upgrade 90 percent of the telephone network in the capital and 70 percent of the telephone system on all the island to the digital form, with plants in the main provinces.

ETECSA, 51 percent of which is owned by the Cuban state and 49 percent by Interamerican Telecommunications Corporation (CITEL) in Mexico, was created on 21 December 1994 and represents the largest mixed enterprise in the country with more than 15,600 workers.

The consortium, whose main international product is calls to the United States, will destine $750 million to improve its infrastructure in the next five years.

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Colas said approximately $13 million is being invested for maintenance of the facilities, half of which have been in operation since the mid 1920's, others have operated since the 1940's, and a small group of German manufacture has been operating since a more recent date. The ETECSA general manager said the renewal process began with the inauguration of a telephone plant at the capital's neighborhood of Guanabacoa, adding that the process will continue with another plant in Buenavista, also in this city, with a capacity for 25,000 lines.

Colas said another plant is being completed in the leading Cuban tourist center, the famous seaside resort of Varadero, located approximately 140 km east of Havana.

Sugar By-Products Plants Seek Energy Self-Sufficiency

PA2111015495 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Nov 95

[Report by Eric Yanez, Jorge Bermudez, and Nestor Labrada from Ciego de Avila Province, during "NTV" newscast]

[FBIS Translated Text] Ciego de Avila — To begin operating all plants of sugarcane by-products in the next harvest season is the goal of its workers. In addition, they are placing turbo generators in some of them so that they will become self-sufficient in the generation of electricity, engineer Alberto Francis, MINAZ [Ministry of the Sugar Industry] national director of by-products, has stated:

[Begin Francis recording] Although some of the areas are already self—sufficient with regard to the generation of energy, we are working for this self-sufficiency in some of them, such as in the production of alcohol. This means that we are working at each distillery, ir talling turbo generators so that we no longer have to depend on the national electricity network. [end recording]

The economic situation in recent years forced us to stop several plants that produced bagasse-made boards, alcohol, sorbitol [alcohol obtained by reducing its glucose], and liquid yeast, among other products. These plants are being prepared in order to resume operations.

[Begin Francis recording] In the future, as the industry develops and we begin to pull out of the special period, we will produce approximately 100 million pesos which will be basically used for the Cuban population. [end recording]

In the national emulation review of MINAZ by-products, the country's best workers and workers' groups were paid recognition.

The event was held at the Alfredo Perez Gonzalez Liquid Yeast Factory in Ciro Redondo in Ciego de Avila Province. This plant was the best of its kind in the competition. The act also served to honor the plant's 30th anniversary, a plant inaugurated by Che in 1975. It was the first liquid yeast factory in Latin America.

Telcom Official: Deterioration of Phone Business Over

PA2111015695 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Nov 95

[Report by Jose Arteaga; from the "Doing Radio" newscast]

[FBIS Translated Text] [Artega] The deterioration of the telephone business in Cuba was stopped, Rafael Marrero, president of the Mixed Telecommunications Enterprise of Cuba, [Etcsa], has said. During a lively dialogue with delegates to the 15th provincial session in Havana City of the Fifth Journalists Congress, Marrero cited as an example the fact that there has been zero interruptions in the service to Sancti Spiritus Province:

[Begin Marrero recording] We stopped the deterioration but we admit that the service is deficient. We, however, acknowledge how the comrades are working with great enthusiasm and interest. I was at the telephone center in Santiago La Vega yesterday. Who is from here? I was there yesterday and the situation there is terrible. The telephone center in Santiago La Vega is a disaster; it is disorganized and dirty. I told the comrades there. Pardon me for my frankness, but I had to speak out.

We assumed our responsibility for the situation there. Party officials recently visited the city and the center, and the party presented a number of recommendations [words indistinct] and we must work on them. Some of them are in print and other recommendations were voiced to you. And we will adopt the party recommendations as our own [words indistinct] this does not help me solve our problems. [end recording]

[Arteaga] During the debates, it was reported that the courts are handling over 400 cases of postal service crimes. The delegates agreed to remove those individuals who tarnish the image of the telecommunications sector.

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Spanish Party Urges Amnesty, Penal Reform in Nation

BR2011151995 Madrid ABC in Spanish 18 Nov 95 p 41

[Report by Jose Javaloyes: "People's Party Government Will Not Support Agreement With EU Without Amnesty and Penal Reform"]

[FBIS Translated Excerpt] Havana — "A People's Party government will support the conclusion of a bilateral agreement between the EU and Cuba when amnesty is decreed in Cuba and when the penal code is properly changed." With those words Guillermo Gortazar, a People's Party deputy, concluded his speech at the "Cuba and the European Union" conference, organized by the Spanish division of the Association of European Journalists and the Cuban Union of Journalists.

Gortazar's statement, which provoked numerous speeches in reply — the majority of which were from Cuban journalists/deputies, although there were also some from other speakers, including the president of Parliament himself — represents the People's Party's institutional position, according to a People's Party parliamentarian's response to a Spanish journalist's question posed later. Gortazar had previously stated that although a People's Party government was willing to support the Cuban people, it refused to spend Spanish taxpayers' money on the perpetuation of a system which does not prepare the Cuban people for access to the new international order, a competitive order where the lack of efficiency of an economy excludes it from the international flux of capital. Gortazar also specified that his party's current policy was to promote a process of transition to political freedom on the island.

Before this highly political speech was given during the first round of the debate — replies to Gortazar were even given during the second round of the day — the comrade journalists/deputees, in addition to the many party members present — took turns receiving a medal.

Possible Goal

Previously the central statement by Jose Luis Dicenta, the secretary of state for international and Latin-American cooperation, was that the agreement of cooperation between the EU and Cuba was a possible goal. Dicenta had stressed that the results of the current talks between the EU and the Cuban Government (a representation of the community's troika at the level of director general met last week with a Cuban delegation led by Isabel Allende, deputy foreign minister) will depend on the progress of reforms. According to Dicenta, "Cuba will find in the international community — and especially in Spain, the EU, and the Latin-American world — support for all the efforts it makes toward its reinsertion in the international economy by strenghtening and extending its process of reforms. The secretary of state said that Cuba had made progress in extending its political relations as "the fruit of the desire shared almost by the whole international community that an honorable and peaceful solution be found," and he called the discussion in the U.S Congress of the Helms-Burton Bill "worrying," adding that "from the EU we have sent all possible messages opposing the approval of this proposal which we consider unacceptable for many reasons."

According to Dicenta, the effects of the shock which occurred on the entire island following the transformations in Russia and in Eastern Europe — mentioned by all speakers during the day — has created more comfortable conditions for enabling the system to make room for economic and political participation. [passage omitted]

Politburo Member on Unionization of Self-Employed Workers

PA2111155895 Havana Cubavision Network in Spanish 0100 GMT 17 Nov 95

[Report by Ana Valdez; from the "NTV" newscast]

[FBIS Translated Text] Cuban workers are involved in a congress. Seminar-workshops were launched on 16 November to train CTC [Cuban Workers' Federation] cadre leaders in order to facilitate discussion of theories [teorias]. The first assembly was held in Matanzas, and it was headed by Politburo members Pedro Ross Leal and Yadira Garcia Vera and also attended by the secretaries general of national unions and municipal and provincial organizations in Matanzas Province.

The theories were broadly discussed within the eight commissions that were established. They discussed employment, labor reorganization, workers' wages, organizational problems of the labor movement, the economic struggle to achieve efficiency and competitiveness, and the efforts that we must make in the sugar production process.

CTC Secretary General Pedro Ross Leal also announced the unionization of self-employed workers beginning in December, in keeping with the interest voiced by interested parties.

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Haiti

President Promises To Respect Constitution

PA2211031895 Port-au-Prince Signal FM Radio in Creole 1900 GMT 21 Nov 95

[From the "Haiti Today" newscast]

[FBIS Translated Excerpt] President Jean-Bertrand Aristide set dialogue in motion at the National Palace on 20 November. During the opening ceremony of this dialogue, which is to last three days, including yesterday, today, and tomorrow, Aristide gave a speech in which he promised to respect the country's Constitution and to allow the participation of all sectors in the decisions being made on the major issues dominating the news. Jean-Bertrand Aristide pleaded in favor of the reinforcement of the democratic mechanism with a truly authentic dialogue so this nation can be rebuilt.

Claudette Werleigh, who also spoke, deemed it necessary to have a true, national dialogue, because it is the unique way to allow all social sectors in Haiti to give their opinions for a better future in Haiti.

We will note that Leon Jeune brought all his support to this dialogue initiated by President Jean-Bertrand Aristide with the main sectors of Haitian politics. In an exclusive interview he has given to Signal FM, Jeune took a position in favor of a true, national dialogue that can facilitate the integration of all sectors into Haiti's affairs.

The dialogue, which President Jean-Bertrand Aristide launched and which must continue today, 21 and 22 November at the Kinam II in Petion-Ville, was blocked this morning, because several representatives of people's organizations participating in that meeting said they did not agree with the points to be discussed in the workshops being given to them by the commission in charge of the dialogue. [passage omitted]

Fire Burns Immigration Office in Cap-Haitien

PA2111163795 Port-au-Prince Radio Galaxie in French 1230 GMT 20 Nov 95

[FBIS Translated Excerpt] On the night of Saturday 18 November, a fire broke out in the premises of the Cap-Haitien Immigration Office which was completely burned. Gedeon Baif Fils-Aime is giving us a report on the material damage and incidents that occurred in this city during the past week.

[Begin Fils-Aime recording, in Creole] The premises of the Immigration Office in Cap-Haitien was burned by a fire on the night of Saturday 18 November. Almost all the materials that were in this office were completely burned. The prefecture of Cap-Haitien was just saved by God as the Immigration Office is located under the prefecture [as heard]. Nobody knows the cause of this fire. In fact, the big political tensions and brigandage actions that were committed in Cap-Haitien last week have given rise to much misery in this city. The foodstuffs are very expensive. A sack of refined sugar, for instance, c[illegible] 575 gourdes. As regards the functioning of the pu[illegible] administration, they were almost paralyzed for almost all the past week. At the Customs Office and the National Port Authority, the directors, namely Rosemond Auguste and Rosemond Fabien, have not showed up for more than two weeks. Despite the fact that the directors are not present, these offices nevertheless were open. In the Cap-Haitien Airport, Director Jean-Robert Michaud and his colleagues have not showed up since Monday, 13 November due to many people's pressures, many anonymous phone calls as if they did not need people from Port-au-Prince in the Cap-Haitien airport. [passage omitted] [end recording]

Armed Individuals Shoot at City Hall; Mayor Reacts

PA2111164995 Port-au-Prince Radio Galaxie in French 1230 GMT 20 Nov 95

[FBIS Translated Excerpt] The premises of the Port-au-Prince were riddled with bullets on the evening of 17 November while Mayor Emmanuel Charlemagne was holding a meeting. During a news conference held fr[illegible]ng this incident, Charlemagne called it a boycott [illegible] cusing President Aristide's close friends. The [illegible] Prince mayor thinks the sectors that ordered this action are not at their first trial and that they are using every possible means — even the media — to execute their plans. Let us listen to an excerpt from Charlemagne's statements.

[Begin Charlemagne recording, in Creole] They use newspapers, radios, and television. They sometimes use violence and intimidation. This is how we interpret last night's incidents. [passage omitted]

We are also reminding you that there is a truck, a red Mack truck that the Port-au-Prince City Hall knows is dumping trash into the streets. As we said, we have acted ruthlessly with scoundrels. I do not know how you interpret acting ruthlessly. We have acted ruthlessly with scoundrels because the government cannot do its job. We are doing the job for the government because we have been placed at the head of a government in order to do a job. People do not need to accuse Manno Charlemagne's security agents. Once a scoundrel comes here, they will act ruthlessly with him no matter who he is, no matter what his class is, no matter what his color is. Once you come here now, you are in trouble, once

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you attack this City Hall. The registration number of the truck... [pauses] It is a red truck and its brand name is Mack, registered with the number 50949 Transportation. Once we find it — we do not need the government — discussions with the national police.... The police cannot be managed by bureaucrats. The police must be managed by Renaud Neptune [former Port-au-Prince chief of police], and Dany Toussaint. One cannot ask crooked bureaucrats to manage the police. This is our decision to have the government respected. They should hide this Mack truck away somewhere because once we see it in the streets, we will arrest the driver and impound the truck. [end recording]

These were the statements made by Mayor Charlemagne following the incident that occurred at the premises of the City Hall on the evening of 17 November. In fact, a group of armed individuals shot at the premises of the city on the evening of 17 November but no names of the wounded were recorded. Mayor Charlemagne took advantage of this news conference he held on 18 November to express his support for the current head of the interim police, Major Dany Toussaint.

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PRD, Guerrilla Sympathizers Block Roads in Chiapas

PA2211000595 Mexico City XEW Television Network in Spanish 0400 GMT 21 Nov 95

[From the "24 Hours" newscast]

[FBIS Translated Text] Members of the PRD [Party of the Democratic Revolution] and the Chiapas People's Democratic State Assembly [Asamblea Estatal Democratica del Pueblo Chiapaneco — AEDPCH] on 20 November blocked 23 roads leading to Tuxtla Gutierrez, Chiapas. They asked the Sustainable Development Commission to respond to their agrarian, social, and economic demands.

[Paris AFP in Spanish at 0022 GMT on 21 November in a San Cristobal de las Casas-datelined, 275-word item adds the following: "Sympathizers of the Zapatist guerrillas and the PRD on 20 November blocked 11 roads in the southern state of Chiapas, including roads leading to three towns in the border with Guatemala, to demand the annulment of the electoral results. A AEDPCH spokesman explained that the demonstrators also demanded a solution to their agrarian problems, a revision of the results of the 15 October municipal elections, and the allocation of economic resources for production projects."]

Secretary Says Revolution Still Valid After 85 Years

PA2211003495 Mexico City XEW Television Network in Spanish 0400 GMT 21 Nov 95

[Passages within quotation marks recorded; from the "24 Hours" newscast]

[FBIS Translated Text] Today, 20 November, we mark the 85th anniversary of the beginning of the Mexican Revolution. President Ernesto Zedillo, his entire cabinet, and all para-state institutions directors attended a ceremony at the Revolution Monument.

[Unidentified reporter] Government Secretary Emilio Chuayffet Chemor, before President Zedillo and the presidents of the legislative and judicial branches, said that, 85 years after the Mexican Revolution began, it continues to be valid, even though its critics have described it as foiled, sterile, or whimsically adjusted. This is why, he pointed out, the current government is responding with the same thesis Don Francisco I. Madero brandished: Democracy and more democracy.

[Chuayffet] "The government of the Republic remains faithful to that spirit. To overcome the crisis or to embark on a state reform, we do not require spectacular actions, aimless blows, authoritarian shakeups, or fireworks that entertain while they go off but that fall to pieces while they go out."

[Reporter] Chuayffet explained that Mexico is a society in transition and that we must understand this concept well.

[Chuayffet] "They [not further identified] want to return to the old styles; we have to restore not only dead rites, but also the all-embracing presidential government. They do not like the republican exercise of power, because a profound resistance to accept their responsibilities lives within them."

[Reporter] Our difficulties, the government secretary went on, must not prevent us from making an analysis on a consolidated political pluralism and a lawful government. He maintained that this is why we need:

[Chuayffet] "The preservation of the Chiapas talks, an endless fight against impunity, a climate favoring the full exercise of public liberties, and a great effort, despite the austerity, not to neglect social demands."

[Reporter] The alliance for economic recovery will lead us to growth, Secretary Chuayffet said.

[Chuayffet] "The President proposed a new political alliance among the social protagonists to take advantage of the new emerging forces that instill a renewed vigor in the nation. No one can exclude himself or remain alienated from this task."

[Reporter] He said that Mexico has a course to follow. Later, President Zedillo handed decorations and accolades to members of the Mexican Army and Air Force. He laid a floral wreath at the Revolution Monument and signed the book of distinguished visitors. He then went to the National Palace, where he saw the sports parade.

Roundup of Economic Developments Through 21 Nov

PA2111173495

[FBIS Editorial Report] The following is a compilation of reports on economic developments in Mexican monitored through 21 November.

Figures by the Mexican Association of the Automobile Industry state that wholesales in this sector dropped 73 percent from January to September of this year, and the production in the domestic market dropped to 69.9 percent, or 276,615 units less than during the same period last year. (Mexico City EL FINANCIERO in Spanish 13 Nov 95 p 37)

During the 1994-1995 fall-winter season and the first phase of the 1995 spring-summer season, Procampo (Program of Direct Support to the Countryside) handed

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out checks totaling 3.511 billion new pesos, the Agriculture, Livestock, and Rural Development Secretariat has reported. Approximately 15 million hectares have been planted and over 3.5 million farmers have received these funds, during these two seasons. (Mexico City LA JORNADA in Spanish 13 Nov 95 p 59)

An analysis by the Mexican National Chamber of Commerce (Canaco) indicates that retailers's debts with local commercial and development banks grew from 11.6 billion new pesos in January of this year to 20.966 billion new pesos in June. The sector owes commercial banks 20.119 billion new pesos and development banks, 846 million new pesos. Just in interest alone, the debt with commercial banks rose by two billion new pesos. The default rate on these loans is 25 percent. Canaco blames this situation on the severe contraction in sales in recent months. (Mexico City LA JORNADA in Spanish 13 Nov 9 p 57)

The IDB (Inter-American Development Bank) has negotiated with Mexico through the National Finance Bank (Nafin) a $250-million loan that will be disbursed in the first week of December. A report by Nafin stated that the funds will finance the program to help the corporate consolidation of financial institutions, which seeks to modernize private financial institutions among other objectives. (Mexico City EL FINANCIERO in Spanish 14 Nov 95 p 8)

So far this year, the Joint Commission to Promote Exports (Comision Mixta para la Promocion de Exportaciones — Compex) has promoted 125 export projects and 30 of them have already began selling abroad, the Commerce and Industrial Development Secretariat (Secofi) has reported. (Mexico City EL FINANCIERO in Spanish 14 Nov 95 p 27)

During a meeting with National Action Party (PAN) legislators, Guillermo Ortiz, finance and public credit secretary, announced that next year the government will expand the tax base and strengthen its fiscal policy to prevent tax evasion, which this year prevented the government from collecting close to 15 billion new pesos in the value added tax alone. Secretary Ortiz explained that the amortization period for fiscal losses will be expanded from five to 10 years. The government will pledge to return tax deductions to businessmen in less than 50 days. Procedures will be introduced to allow fiscal authorities to request the corresponding documents from companies to assess their fiscal situation. Audits will only be requested when irregularities are detected. In addition, Ortiz reiterated there will be no tax increase. (Mexico City LA JORNADA in Spanish 14 Nov 95 pp 49, 60)

Mexican Petroleum Director Adrian Lajous is cited in a 14 November Mexico City-datelined item as saying that oil production reached 2.65 million barrels a day, which is 95 percent the volume it had before Hurricane Roxanne caused a 32 percent drop in daily production in the Gulf of Mexico area from 9 to 20 October. Lajous predicted production will return to full capacity by 20 November. (Madrid EFE in Spanish 2322 GMT 14 Nov 95)

According to a 14 November report datelined Hermosillo, the National Institute of Statistics, Geography, and Information Science (INEGI) on 13 November announced that Mexico's trade balance was favorable from January to September 1995 inasmuch as their exports of national products amounted to approximately $6.985 billion while imports amounted to $6.076 billion. (Mexico City NOTIMEX in Spanish 2110 GMT 14 Nov 95)

Enrique Vilatela, director general of National Foreign Trade Bank of Mexico, Bancomext, has reported that despite all efforts made, a minority group of 350 enterprises controls 80 percent of Mexican exports. Vilatela added that the goal for 1996 is to insert at least 20,000 small- and medium-sized enterprises into the exporting sector, and therefore Bancomext will increase its budget by 30 percent. (Mexico City LA JORNADA in Spanish 14 Nov 95 p 48)

Decio de Maria Serrano, undersecretary of foreign trade and investigation, has reported that the imports of the maquiladora industry (assembly plants) amounted to approximately $20 billion from January to September of this year which "opens an excellent opportunity for substituting imports." The official added that the maquiladora industry generates 18 percent of the total work force of the national manufacturing sector, it is the second source of resources in the current accounts, and represents 34 percent of the total value of exports. (Mexico City EL FINANCIERO in Spanish 15 Nov 95 p 30)

The Bancomer (Bank of Commerce) Financial Group, GFB, has announced net accumulated profits in the amount of 692.8 million new pesos to September 1995, an amount that represents a contraction of 42.8 percent with respect to the same period of time last year. The report adds that its main subsidiary, Bancomer, contributed 93 percent of the total profit. (Mexico City EL FINANCIERO (ANALISIS Supplement) in Spanish 15 Nov 95 p 5A)

The Bank of Mexico has announced that its international reserves on 10 November amounted to $14.063 billion, $97 million less than during the previous week, according to a 15 November report datelined Mexico City. The bank explained that the reduction was caused

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by the difference between its $448 million in expenses and $351 million in income. (Mexico City NOTIMEX in Spanish 0959 GMT 15 Nov 95)

Galina Kuznetsova, commercial representative of the Russian Federation in Mexico, has announced that Lantz, the leading Russian petrochemical company, is among the companies that will invest in Mexico's petrochemical industry, thereby increasing technology and equipment at gas and oil pipelines. Kuznetsova said that before the year ends, Mexican Petroleum (Pemex) employees will visit Russia to establish the foundations of cooperation between the Zedillo and Yeltsin administrations in the area of energy. According to Fernando Cervera, commercial director of the Mexican-Russian Cooperation Association, the Russian consortium's medium-term investment "is part of a trade exchange package between Russian and Mexican businessmen to change the negative image that some people have of these two countries, to consolidate their relations, and to coordinate their respective trade routes and connections. Kuznetsova said that Mexico will receive preferential treatment as an underdeveloped nation. (Mexico City EL FINANCIERO in Spanish 16 November 95)

The Secretariat of Finance and Public Credit, SHCP, has disclosed that during the first nine months of 1995 the public sector had a surplus of 17.401 billion new pesos, approximately 2.108 billion more new pesos than in June, while its debt amounted to $68.1179 billion, $2.2201 billion more that in June. The Report on the Economic Situation presented on 15 November at the House of Representatives reveals that during the third quarter of 1995 the public sector's budget income amounted to 290.912 billion new pesos, while net expenses amounted to 274.964 billion new pesos. The surplus of 14 billion new pesos is due to the amortization of Tesobonos (treasury bonds). Meanwhile, the federal government's financial report shows a surplus of 1.584 billion new pesos, an improvement over the deficit recorded during the same period in 1994. (Mexico City EL FINANCIERO in Spanish 16 Nov 95)

Mexico has surpassed its growth expectations in the assembly plant sector for 1995, according to a 16 November report datelined Hermosillo, Mexico. Raul Avila, a spokesman for the export sector, says that 330 industries were established this year and 500 were expanded with a $15 million investment, which generated 70,000 new sources of employment. Avila, who attended the International Investment Seminar, said that 116 of the 330 new factories established this year are based in states that do not border with the United States. Most of these new maquiladoras were formed with foreign capital, particularly from the United States. (Mexico City NOTIMEX in Spanish 0204 GMT 17 Nov 95)

The prices of Mexican crude for export decreased in October in comparison to September. Prices in October were $15.57 per barrel for Istmo; $13.01 for Maya; and $16.60 for Olmeca. September's prices were $16.17 per barrel for Istmo, $13.53 for Maya; and $17.06 for Olmeca. During the January-October period Mexico exported an average volume of 1,299,100 barrels of crude daily. The United States purchased 78.7 percent of Mexico's oil; Spain bought 8.1 percent; the Far East, 6.3 percent; the rest of America, 4.3 percent; and other European countries, 2.6 percent. (Mexico City LA JORNADA in Spanish 17 Oct 95)

According to the INEGI and the Finance Secretariat, unemployment is decreasing. The recovery began in October as a result of the fiscal incentives included in the Alliance for Economic Recovery, whereby 74,000 were created in October, which contrasts with the 70,000 jobs that were lost monthly during the early months of the year. The Finance Secretariat warns that if Congress passes the proposed tax reforms, in 1996 firms with incomes of up to seven million new pesos will not have to pay taxes on their assets, and many other incentives will go into effect. The idea, says the secretariat, is to spur private investment and generate jobs. (Mexico City XEW Television Network in Spanish 2000 GMT 17 Nov 95)

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El Salvador

President Says Military Subject to Civilians

PA2111200695 San Salvador LA PRENSA GRAFICA in Spanish 19 Nov 95 p 3A

[FBIS Translated Text] President Armando Calderon Sol said yesterday, upon his return from France, that the report issued by a European news agency, which caused a controversy in the country, "basically reflects the new reconciliation reality that now prevails in the country."

Even though the Presidency's Information Secretariat asserted, in a communique issued a few days ago, that the statements attributed to the president had been "misconstrued," the president did not deny the contents. Nevertheless, he said certain commentaries were "out of context." The news was issued by AFP on Wednesday from France.

The information sent by journalist Ana Maria Echeverria said the president had reportedly said that the military, "formerly almighty in El Salvador," are subject to the Executive Branch; and Democratic Party leader Joaquin Villalobos got him out of a jam by signing the San Andres Pact, for the implementation of the government's new economic plan.

During a news conference held yesterday the Salvadoran President said the military branch is certainly subject to civilian power in El Salvador and that an alliance was created with the Democratic Party [PD], in formation, as the information indicates.

"The whole world knows that political power is in civilian hands in El Salvador and that Salvadoran democracy fully prevails," the president said. He also stated that a negotiation was conducted with the PD "as in any democratic system."

"This is the most common thing among political groups," Calderon Sol said when stating that the nation witnessed the signing of the San Andres Pact between the government and the PD on 1 June.

"This is not so strange," the president said and he emphasized that the spirit of the news report reflects the world's recognition of "a new El Salvador, with new institutions, a different country, where we should feel proud."

Making an evaluation of his visit to France, the president said it had been successful because the French Government might grant part of the $200 million that it would cost to build a mixed system for large-scale public transportation in San Salvador.

This would involve refurbishing the railroad network that leads from San Martin and Apopa to the capital. The system would be completed with the construction of a metro that links Soyapango and Ceiba de Guadalupe, and it could later be extended to Santa Tecla.

Calderon Sol said the rest of the money necessary to finance this would be granted by Mexico and Spain. Nevertheless, he did not give an exact date when the system's construction and refurbishing would begin.

He added that those countries would grant credits with financing of up to 30 years, with a 2-percent interest and a two-year grace. "When this becomes a reality our transportation system might set an example and become a model for Latin American cities with a population of one million," he added.

Another of the goals achieved by Calderon Sol in his trip would be the attainment of financial support so the National Administration of Waterworks and Sewers may carry out a program to control water leaks in the country.

President Views U.S. Interests in Labor Dispute

PA2111194995 San Salvador EL DIARIO DE HOY in Spanish 20 Nov 95 p 15

[Report by Martha Elena Ibarra]

[FBIS Translated Text] Salvadoran President Armando Calderon Sol said he was pleased that a U.S. delegation had recently visited Salvadoran maquiladoras [assembly plant] because this allowed the delegates to see how the Salvadoran situation had been "manipulated." Upon his return from France last Saturday, the president said that U.S. Government, business, and union representatives had verified that "there were U.S. labor interests involved in manipulating" the situation so as to block the countries in the region.

The visit of the U.S. mission triggered conflicting reactions because several Salvadoran unions charged the AFL-CIO and the American Institute for the Development of Free Unions of financing groups to boycott the Salvadoran maquiladoras and textile industries.

San Salvador Archbishop Monsignor Fernando Saenz Lacalle said yesterday, that the U.S. mission, which travelled to the country to observe the maquiladoras, "had left with a better impression than the one they had before coming here." The archbishop said the principles of the Catholic Church included the people's rights to jobs and to fair wages.

Referring to the maquiladoras, Monsignor Saenz Lacalle said it was an important sector because it generates many jobs. "However, the proprietors of a maquiladora who do not comply with the labor laws should be punished regardless of their nationality," he added.

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The Catholic archbishop reiterated that maquiladoras are an important source of jobs and called people to be responsible and not to manipulate the situation politically.

Mixed Transportation System

One of President Calderon's accomplishments during his recent visit to France was to obtain the financing for a mixed collective transportation system, which will include bus and railroad lines, in San Salvador. According to Calderon, French Prime Minister Jacques Chirac will help build this transportation system with a loan that has a repayment period of 30 years and a 10-year grace period. The project will unite the San Martin to San Salvador and the Apopa to San Salvador railroad lines to create a peripheral metro that will go all the way to Santa Tecla. Three countries — France, Mexico, and Spain — will contribute to finance this mixed system that requires an investment of $200 millions.

El Salvador will also get support to further a program that will improve the hydrological system and control water leaks that represent 50 percent of the squandering of water currently.

Negotiations With Workers

Calderon reported that he was satisfied with the negotiations between the government and the workers as their differences have been substituted with understanding. As for the possible protests of National Telecommunications Administration workers, the president said they are still in the process of reviewing pending cases. "I believe that instead of talking they should start reviewing the pending cases," he indicated.

The government has promised that it will invest more than 40 percent of the 1999 general budget in social programs and to assign more resources to social actions and infrastructure.

Statements to AFP Additionally, the president referred to his statements to AFP, which were published last week. "Regarding this article I can tell you that there are some comments that are out of context," the president stated. "You can see that it refers to a new reality at the end. Of course, the article included several comments that were out of context," he emphasized. Calderon said the international community knows that political power is in civilian hands and that Salvadoran democracy is fully operational.

On another issue, Calderon explained that Honduran troops are holding military exercises in an area near to the border with El Salvador but that there have been no incidents in the area that has been delimited. The president asserted that Salvadoran territory has not been violated and, thus, the exercises are of "no consequence."

Guatemala

President Comments on Peace Process, Opposition

PA2111184695 Guatemala City Televisiete Television in Spanish 1900 GMT 20 Nov 95

[From the "Channel Seven News"]

[FBIS Translated Text] President Ramiro De Leon Carpio has said he is worried about the position assumed by the Chamber of Agriculture, which has openly opposed the peace negotiations.

[Begin De Leon recording] It is very difficult to comment on their position. I was in the south of Mexico during this weekend, and upon hearing the news the people there as well as people from Europe, Asia, and all over the world, could not understand this opposition, because we are requesting and obtaining support for the democratization process and within that process for other programs, among them for the peace process. You just heard about the satisfaction this represents for my government and myself. After great efforts, we have reached the goals and have opened the doors and the financial support of the World Bank for this government and for future administrations. That support will be even greater if peace is accomplished, because they are supporting a climate of peace as a part of the country's democratization process. The same goes for the $540 million that I received during my visit to Paris this year at the informal meeting. Part of that sum has already been transferred to Guatemala. We have also received other resources, as well as moral, and technical support.

The point is they cannot understand this attitude. While so many people, including martyrs like former Israeli Prime Minister Yitzhaq Rabin, a peace martyr, have died for peace, there are still people, if they can be called people, who inexplicably reject peace and want to obstruct it. Frankly, I must tell you that based on comments I have heard at the international level, it is hard to believe that there are still people who want the death of children, women, youngsters, and adults to go on.

Fortunately, the organized private sector has said it does not share, and much less support those attitudes. I do not want to judge them, the people and the international community are judging them. [end recording]

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Nicaragua

Parties, Unions Criticize National Project Policies

PA2211034695 Managua LA PRENSA in Spanish 16 Nov 95 p 3

[Report by Cesar Ubeda Bravo]

[FBIS Translated Text] The political parties and unions comprising the National Project [Pronal], led by former Presidency Minister Antonio Lacayo, have strongly criticized the organization's internal policy of disregarding these two sectors. A document called Problems and Solutions, dated 13 November 1995, states: "The political concept that has been raised to the level of permanent disregard of one ally toward the others has been affecting Pronal since its inception by creating a climate contrary to the egalitarian participation of the political parties and labor unions."

One of the signers of the document, a member of one of Pronal's parties and who gave LA PRENSA one copy of the document, has said "the Civil Society wants to be registered as a political party for the 1996 elections" although Pronal denies the validity of political parties.

LA PRENSA tried this morning to find out about the discussion of the document, but a secretary said Boanerges Matus, the only person authorized to talk about this matter, was not in his office.

The document says a disturbing factor is that certain people still do not want to clarify whether Pronal is a personal or governmental project because of the excessive number of government officials who control the responsibilities in this political organization.

The document adds that Pronal has been acting since its inception in an upright manner that still has not been topped. The document gives two examples. The first one is that the National Coordination Council is not holding an orderly debate, and collegiate decisions are not being made. "This has been reserved for the Civil Society."

The second example they give is that the other Coordination Councils are a carbon copy of the National Coordination Council. There is no possibility for general agreements, let alone joint planning agreements for developing local political work. The source said that the lack of political tact for handling Pronal's political activities leaves much to be desired and that Pronal has been neglecting important sectors of the society. "Government officials are notorious for enjoying advantages and resources for their own political activities. This does not represent a true Pronal characteristic, because the people who move around it seek solutions for their critical and chronic needs," the source criticized.

The document continues to criticize the fact that all of Pronal's publicity is aimed at raising the profile of a specific person "although political and union leaders of the alliance are repressed. This harms the allies' equal opportunity rights."

According to the document, an important aspect of the imbalance is the Electoral College, because it carries with it the definition of candidates Pronal will present for the 1996 elections. "The Civil Society has created an Electoral Commission without taking into account the rest of the allies. This means having complete control over the distribution and reception of all registration books and, therefore, absolute control of the voters registered at the Electoral College," the source added.

Two months ago, the Social Democratic Party [PSD] quit Pronal arguing that the party was not being taken into consideration. PSD criticized the Electoral College and the fact that the Civil Society has reserved for itself 70 percent of the approximately 5,000 books distributed throughout the country. "This leads us to the conclusion that a well defined political attitude exists with the purpose of controlling the Electoral College."

The document says there is a serious concern over the inhibitions. "The concern is this point. If these inhibitions cancel Lacayo's candidacy, it is necessary to seek a consensus so as to find a suitable candidate for Pronal and the country, thus eliminating the possibility of a single sector imposing a candidate of its preference," the document finally said.

Panama

President Reiterates Opposition to Helms-Burton Bill

PA2211000695 Havana PRENSA LATINA in Spanish 2026 GMT 21 Nov 95

[Report by Enrique Torres]

[FBIS Translated Text] Panama City, 21 Nov (PL) — Panamanian President Ernesto Perez Balladares reiterated his opposition today to the Helms-Burton law initiative. This bill is being promoted by U.S. congressmen to reinforce the economic and commercial blockade against the island [Cuba].

Panama will not allow "anyone to dictate the list of its friends and foes because we, ourselves, make this list." Thus, we will not accept any impositions in regards to commerce, the Panamanian president said to PRENSA LATINA.

According to Perez Balladares, his government will maintain the political, economic, and commercial relations with Cuba. He added that those ties "started when,

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for many of those who tear their garments today, it was a sin to have ties with the Caribbean island."

Our relations have gradually advanced to the point that the current commercial exchange is very important to the Panamanians and I know it is the same for the Cubans, he commented.

The president said he hoped the law initiative will be evaluated differently because he believes U.S. legislators are unfairly and unnecessarily interfering in the foreign policy of third countries and they have no right to do this.

After the initiative was approved by the U.S. Senate last October (it is now pending a bicameral debate), Panamanian personalities expressed their opposition to the U.S. intentions to increase the economic siege against Cuba.

Panamanian Foreign Ministry adviser Adolfo Ahumada asserted that Panama maintains the thesis that the country and the companies installed in it are free to establish commercial activities with other countries.

For his part, Victor Lewis, president-elect of the National Council of Private Enterprise, said that there is no reason to limit the local businessmen's possibilities of selling products to the island.

Panama was one of the 117 countries that voted in favor of a United Nations resolution against the blockade to Cuba last month.

Ex-Officer Found Guilty of Murdering U.S. Citizen

PA2111182095 Panama City LA PRENSA in Spanish 19 Nov 95 p 1A

[Report by Manuel Alvarez Cedeno]

[FBIS Translated Text] Judicial sources have reported that earlier this morning, a jury found former military officer Juan Barria guilty of murdering U.S. citizen Raymond Dragseth and Panamanian Fernando Braithwaite during the 1989 U.S. invasion of Panama. The hearing started at 1600 hours on 6 November and ended at 0036 hours today.

Bolivar Davalos defended Barria, who confessed to the two murders, Martin Caicedo defended Cesar Roldan; Victor Chang Castillo and Caicedo, Boris Rivera; Graciela Dixon, Didio Rios; and Gabriel Fernandez, fugitive Asuncion Gaitan.

The jury also found Rivera not guilty of the crime of illegally depriving Dragseth of his freedom. However, Roldan was found guilty of this crime and not guilty of the crime against collective security. In addition, Rios was found not guilty of the crime of depriving the U.S. citizen of his freedom and the crime against collective security, and Gaitan was found not guilty of the crime of depriving Dragseth and Braithwaite of their freedom.

The jurors took 2 hours and 51 minutes, from 2135 hours on 18 November to 0036 hours on 19 November, to render a decision, after the magistrate presiding the trial, Andres Almendral, had reminded them that "in a few minutes, you will start deliberating according to your consciences."

During the trial, prosecutor Cecilia Lopez de Martin represented the State, while Luis Munoz acted as private prosecutor. Prosecutor Martin asked the jury, made up by five women and two men, to find the four defendants guilty and to acquit Gaitan, while the defending counsels requested the release of the five defendants, who declared to be innocent from all charges.

Braithwaite and Dragseth were kidnapped during the 1989 U.S. invasion of Panama and were later murdered on 21 December 1989 in Milla Ocho, located in the outskirts of Panama City, by Barria, who admitted to having shot them after arguing that he had acted fearing reprisals against him (from the Staff of General Manuel Antonio Noriega) if he failed to kill them.

At the time of the allegations, a kind of collaboration among the defending counsels was noticed. They argued the concept of due obedience in favor of their clients.

According to the case files, the Panamanian soldiers had to carry out the operation of kidnapping a group of CIA agents, whose names were included in a list made by Major Nino Vaprio, in case the North Americans invaded Panama. However, the names of Braithwaite and Dragseth were not included in the list, according to the case files.

Dragseth was kidnapped from his Sonesta condominium in Paitilla, and, according to his wife, Victoria, the soldiers threatened to murder him right there, in front of his family.

Braithwaite, who used to work for the U.S. Embassy, was kidnapped in Rio Abajo when he was buying cigarettes in the street. The Panamanian soldiers claimed he was a CIA informant, an allegation that the Panamanian always denied.

Pointing toward the defendants, defending counsel Fernandez maintained during his allegation that "it is unfair to use these men as cannon fodder for the true individuals responsible for dividing the Panamanian family." He said: "How long, my God! These two deaths were unfair; however, the individuals truly responsible for them

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have not been tried, and now they want to use these gentlemen, who are not guilty, as cannon fodder."

Following the verdict, Mrs. Dragseth pointed out that "I am pleased for the strength and courage of the jurors." Meanwhile, Alberto Braithwaite, the victim's brother, affirmed: "Justice was done to us; we are pleased."

However, one of Roldan's relative shouted: "The gringos (U.S. people) bought the jurors. The gringo is paying for the murders committed during the invasion. Bunch of degenerates, get out of here with your filthy newspaper!"

During the entire process, 26 people were questioned, and seven people remained arrested at some time. Fourteen were brought to trial; however, the administration of Ernesto Perez Balladares pardoned eight of them, and defendant Roque Solis died at the Santo Tomas Hospital prior to the hearing.

Two-Year Fishing Agreement Signed With Taiwan

OW2111151195 Taipei CNA in English
0933 GMT 21 Nov 95

[By Edward Chen]

[FBIS Transcribed Text] Panama City, Panama, Nov. 19 (CNA) — The Republic of China (ROC) and the Republic of Panama Sunday [21 November] signed a cooperation memorandum which allows up to 30 ROC tuna fishing ships to operate in Panamanian waters and outside territories on a two-year trial basis.

Minister of Industry and Commerce N. de Villarreal and Tsai Ming-ruey, chairman of the Tungkang Fishermen Association and concurrently leader of the ROC fishery industrial delegation visiting Central America, signed the document on behalf of respective parties. ROC Ambassador to Panama Su Ping-chao witnessed the signing ceremony.

Under the memorandum, Panama will designate Vacamonte Port as an operation base for ROC ships in Panama and provide facilities to help ROC sailers obtain working permits and residence permits.

The ROC ships will be permitted to fly either the ROC flag or Panama's flag when operating in Panamanian waters.

Taiwanese Industrial Equipment Mission Holds Seminar

OW2111150795 Taipei CNA in English
0907 GMT 21 Nov 95

[By Edward Chen and Danielle Yang]

[FBIS Transcribed Text] Panama City, Nov. 20 (CNA) — A 20-member Republic of China (ROC) machinery and turn-key industrial equipment trade mission held a trade seminar and a machinery catalogue exhibition in Panama on Tuesday [21 November].

The exhibition attracted more than 400 Panamanian manufacturers and ranking Panamanian officials. The mission was composed of manufacturers of plastic, paper, packing materials, machine tools, and food processing machines.

ROC Ambassador to Panama Su Ping-chao and Panama Commerce and Industry Minister Nitzia de Villarreal jointly opened the ceremony at the continental hotel in downtown Panama City.

Su said at the ceremony that machinery equipment is the basis for industrial development and the ROC is willing to assist Panama in developing its manufacturing industry.

Su said he hoped ROC turn-key exporters can help with Panama's economic development through exploring the Central American market.

De Villarreal welcomed the machinery and turn-key mission to Panama and said the ROC has always played an important role in Panama's economic development.

She added that Panama would like to learn from Taiwan, as it has expertise in successfully developing industry.

Liu Chih-ying, economic councilor in the ROC Embassy in Panama, told the press that the ROC will dispatch more industrial and trade groups to Panama in the future and cooperate with the Panamanian Government to develop Fort David, a former American military base.

Once Taiwan's Eva Airways inaugurates direct flights to Panama and Evergreen Group sets up container ports there, a greater number of Taiwan and Asian investors will come to Panama and boost closer ROC-Panama economic and trade ties, Liu said.

The 20 turn-key exporters from Taiwan also held talks with their Panamanian counterparts during the trade seminar.

The mission members will visit Fort David and Colon Free Trade Zone Tuesday before concluding their visit on Thursday. They will then proceed to Costa Rica to continue their Central American tour.

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Argentina

President, Tunisian Foreign Minister View Ties

PY2111204695 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1516 GMT 20 Nov 95

[FBIS Translated Excerpt] Buenos Aires, 20 Nov (NA) — President Carlos Menem today met with Tunisian Foreign Minister Habib Ben Yahia at Government House. They reviewed various issues linked to bilateral relations.

The meeting began at 0930 today at the president's office. Foreign Minister Guido Di Tella and Alberto Kohan, the secretary general of the presidency, were also present at the meeting.

At the end of the meeting, the foreign minister pointed out: "The relations between Tunisia and Argentina are very good thanks to the excellent relationship between the presidents of the two countries."

The foreign minister noted that Ben Yahia's visit to Argentina represents preparation for a visit that Tunisian President Zine El Abidine Ben Ali will surely pay next year.

Afterward, Menem met Lebanese Prime Minister Rafiq al-Hariri at the Government House White Hall. Menem decorated the Lebanese prime minister with the Order of Liberator General San Martin, degree of the Grand Cross.

Menem said: "We Argentines treasure Lebanon in our minds and hearts, not only for the Lebanese contribution to the development of humanity, but for the Lebanese community's contribution wherever they arrived." [passage omitted]

Ericsson Signs Agreements for Telecom Expansions

BR2111123195 Maidenhead TELEFACTS in English Nov 95 p 3

[Unattributed article: "Ericsson To Complete Argentinian Cellular Network"]

[FBIS Transcribed Text] Ericsson has signed agreements to complete a nationwide D-AMPS/AMPS cellular network in Argentina with two cellular operators — Telefonica Comunicaciones Personales S.A. (TCP) and Compania de Comunicaciones Personales del Interior (CCPI). The cellular network will initially serve 200,000 susbcribers and will be ready for commercial service in the first half of 1996. Ericsson has also signed expansion orders for the existing network in Buenos Aires, operated by Movistar. The total value of the orders is more than US$200 million (SEK1,500 million).

These orders expand the existing network operating in central Argentina to offer mobile telephone services to the 13 million people living in northern Argentina, which is operated by CCPI, and the 8 million population of southern Argentina. The Ericsson network is to be fully digital (IS-136) providing high capacity, enhanced features, and expanded services in the country.

Including more than 1,300 base station sites, the D-AMPS network comprises Ericsson mobile switching centers, a large number of RBS 882 base stations, the new RBS 884 Macro/Compact base stations, CMOS transmitters, CellPower, and modems. The Time Division Multiple Access- (TDMA-) based standard, D-AMPS, is the only digital standard in commercial operation across North and South America. To date, it has been deployed in 15 countries, including the U.S.A. and in Asia.

Chief of Cabinet, Governors Discuss Fiscal Pact

PY2111202695 Buenos Aires LA PRENSA in Spanish 18 Nov 95 p 3

[FBIS Translated Text] Chief of Cabinet Eduardo Bauza, Interior Minister Carlos Corach, and provincial governors have held a number of meetings that ended with the production of a draft of the Fiscal Pact 3. The main items of the draft, called "Federal Pact for Employment, Production, and Growth," between the national government and the provinces are as follows:

— "Extend the validity of Fiscal Pact 2 until 31 December 1996, retroactive to 1 July 1995. A commission comprised of national representatives and representatives of the 24 provincial jurisdictions will form a commission in order to ensure the fulfillment of the previous disposition."

— "The national government commits itself to intensifying the policy that aims at lowering the incidence of taxes and social security contributions on labor cost."

— "Provinces commit themselves to intensifying efforts to fulfill their commitments."

— "Securities in the hands of the various jurisdictions will only be used to cancel debts contracted by the provinces under market conditions. The nation will provide the adequate instruments to allow the provinces to use the credit transfer mechanism."

— "The objective of the Fiduciary Fund for Provincial Development will be extended to include funds oriented to facilitate the reform of states and provincial pension systems. Maturity deadlines will be extended to make them compatible with the fund's international financing. Legal authorization will also be required to freely dispose of YPF shares assigned to the fund."

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— "A necessary legal framework will be provided for the creation of a system of reciprocal guarantees based on the mass of resources in the 24 jurisdictions and the nation's federal revenue sharing system. The purpose of this framework will be to facilitate the orderly cleanup of provincial finances. The nation and the provinces, with representations according to their resources in the federal revenue sharing system, will form part of the decision making mechanism, the evaluation of cleanup proposals, the approval of viable proposals, and the granting of guarantees. Guarantees will be given to jurisdictions that collect resources in accordance with the contributing capacity of their populations, that adapted their public investments to their fiscal and financial possibilities, that have current income and spending balance, with accounts including the interest of their accumulated debt, that fulfill the other spending requisites, and that can show that guarantees will contribute to restructure and reprogram the profile of their public debts."

— "To reduce government spending by means of: 1) The privatization of deficit-ridden companies; 2) the elimination of the deficit in provinces' pension systems; 3) the dismantling or merger of agencies and an overhaul of administrative structures in the three branches of government by streamlining their operations, deregulating activities, and eliminating duplication; 4) a reduction in the cost of servicing the public debt; 5) a review of regulations governing personnel work, reporting about special by-laws and agreements if appropriate and recovering the government's prerogative to formulate policy regulating the Civil Service in each provincial jurisdiction, with a view to enhancing eligibility systems, rationalizing travel allowances, doing away with nonessential overtime, changing hours of attention to the public and the running of offices; 6) the reform of procurement and hiring systems."

— "To increase public revenues by means of: 1) An overhaul of tax collection systems; 2) the collection of debts incurred by taxpayers for failing to pay property taxes and car registration fees through court orders; 3) the creation of provincial taxes on public sector wages to reestablish equitable remuneration."

Uruguayan Court Refuses To Extradite 'Painted Faces'

PY2111145295 Buenos Aires TELAM in Spanish 1920 GMT 20 Nov 95

[Report by unidentified correspondent]

[FBIS Translated Excerpt] Montevideo, 20 Nov (TELAM) — Judge Enrique Moller told TELAM NEWS AGENCY that today he rejected the request filed by Argentina for the extradition of 16 "painted faces" belonging to the "Albatros" group and ordered that they be released.

Judge Moller's ruling thus rejected the request filed by an Argentine court of justice for the extradition of the group led by former noncommissioned officer Horacio de Sagastizabal, who is currently being held in custody at the Montevideo Police Precinct jail.

Judge Moller told TELAM that the crimes imputed to the Argentine citizens in their country are "political crimes," adding that the extradition treaty between Argentina and Uruguay signed in 1889 "expressly bans" extraditions on political grounds. [passage omitted]

Judge Moller stated that his ruling is not appealable and that the Argentine citizens in question will be able to stay in Uruguay as tourists "without any problem."

On 1 November, Uruguayan Prosecutor Hugo Barrios had opposed the extradition of the Argentine citizens on the grounds that they were wanted in Argentina for "political crimes." [passage omitted]

Correction To Israeli Envoy 'Disappointed'

PY0811171695

The following correction pertains to the item headlined "Israeli Envoy 'Disappointed' Over Investigation," published in the 8 November Latin America DAILY REPORT, pages 42-43:

Page 43, column one, third paragraph, only sentence make read: ...is no progress." [new paragraph]

The ambassador answered a question saying that "the services — without specifying which — are working to... (rewording)

Brazil

Further Reports on Amazon Surveillance System Affair

Officer Criticizes Minister Replacement

PY2211025095 Sao Paulo AGENCIA ESTADO in Portuguese 1958 GMT 21 Nov 95

[FBIS Translated Excerpt] Rio de Janeiro, 21 Nov (AE) — Major-Brigadier Octavio Monteiro Araujo, president of the Aeronautics Club, said today that President Fernando Henrique Cardoso bypassed seven active duty lieutenant brigadiers in the Brazilian Air Force high command when he nominated a high-ranking reserve officer to head the Aeronautics Ministry. "It was a personal and political decision, made to control the crisis, but it hurt a military practice that is based on

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hierarchy and discipline," Monteiro Araujo said. The officer met today with the club's executive board, which is made up of 10 officers, to prepare a document giving satisfaction to former minister Mauro Gandra, who will be the guest of honor at a meeting at the Galeao Air Base tonight.

The Aeronautics Club, which has 8,000 members throughout the country, is preparing other acts to give Gandra satisfaction and to honor him. Gandra was separated from his position following suspicions of influence trafficking in the controversial case involving the Amazon Region Surveillance System (Sivam). President Cardoso chose Reserve Lieutenant Brigadier Lelio Lobo to replace Gandra. Lobo approved the bidding for the installation of the Sivam project, worth nearly $1.4 billion, in 1994, when he was a minister in the Itamar Franco administration. [passage omitted]

In choosing Lelio Lobo the president bypassed, in order of seniority, Lieutenant Brigadiers Ulisses Pinto Correia Neto (who asked to be transferred to the reserves); Sergio Xavier Ferolla; Joao Felipe Sampaio de Lacerda, Jr.; Jose Eslilandi Bayo de Barros; Emir de Souza Pinto; Ronald Eduardo Jaeckel; and Egon Reinisch. "I think the president chose him because he wanted to resolve the crisis," said Araujo, who is also "an ardent supporter of the Sivam project."

The president of the Aeronautics Club thinks that even though the bidding might be revised or canceled, "there will be a time when the need for air control in the Amazon region will force the government to install a radar system in the area." In the Aeronautics Ministry, Sivam is technically coordinated by Brigadier Marco Antonio Oliveira, who is based in the 3d Regional Air Command. According to other Aeronautics Ministry officials, Brigadiers Ulisses and Ferolla were bypassed because of their nationalist positions and their criticism of privatizations without a criteria. Most military officers will have a hard time accepting, for instance, the breakup of the Petrobras [Brazilian Petroleum Corporation] monopoly or the privatization of the Vale do Rio Doce company. Araujo said he could not believe that such opinions could have influenced the decision of the president of the Republic.

President Urges Study of Wire-Tapping

PY2211011895 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 21 Nov 95

[FBIS Translated Text] President Fernando Henrique Cardoso has asked the Justice Ministry to investigate who is behind the phone tapping case that ousted Ambassador Julio Cesar Gomes dos Santos.

Judge Irineu de Oliveira Filho, of the Brasilia Narcotics Court, said Federal Police misinformed him regarding authorization for placing wiretaps on Ambassador Julio Cesar dos Santos' telephones. The judge asserted that he did not know the telephone belonged to the chief of protocol of the presidency of the Republic. According to the judge, the tapping was requested by Police Chief Mario Jose Oliveira, who said that he had only received an anonymous call on Ambassador dos Santos' possible involvement in drug trafficking. The judge agreed to the request because he considered that it was normal to base this sort of investigation on anonymous calls.

Phone tappings authorized by court judges are done inside the telephone company. It is a sophisticated type of tapping and requires the participation of telephone company technicians. Consulted about how Ambassador dos Santos' phone had been tapped, Telebrasilia people did not want to comment on the issue.

Congressmen also have doubts about how legitimate it was to place wiretaps on the telephones of the presidential adviser. Senator Romeu Tuma, former Federal Police director, has asked Justice Minister Nelson Jobim to clarify the situation.

[Begin Tuma recording] The case is serious because the presidency of the Republic's phones have been indirectly tapped. [end recording]

The explanation that Ambassador dos Santos was being investigated for possible involvement in drug trafficking did not convince anyone, not even some of President Cardoso's main advisers. It is being rumored at Planalto Palace, however, that the investigation may have been requested as a result of an internal dispute for power.

A few minutes ago, the government reported that it has requested a strict investigation with regard to the reasons that led to the tapping of Ambassador dos Santos' phones.

[Begin Presidential Spokesman Sergio Amaral recording] The government is willing to conduct any type of investigation that may prove necessary. It is willing to conduct a thorough investigation, no matter who may get hurt or what the consequences may be. [end recording]

Journalists tried to contact Federal Police Director Vicente Chellotti, but he declined to comment on the issue.

President Fernando Henrique Cardoso wants to learn whether his talks with Ambassador dos Santos have also been tapped by the Federal Police.

[Sao Paulo AGENCIA ESTADO in Portuguese at 2126 GMT on 21 November, in a related report, notes: "Fran-

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cisco Graziano, president of the National Land Reform and Settlement Institute, has denied involvement in the wiretapping of the phones of the former Planalto Palace chief of protocol." Further on, the AGENCIA report adds: "Graziano does not deny, however, that he dislikes Ambassador dos Santos." In concluding, the report states: "Federal Police agent Paulo Chellotti, who is the brother of Federal Police Director Vicente Chellotti, is Graziano's aide."]

Senate CAE Chairman Opposed to Sivam

PY2111223395 Sao Paulo AGENCIA ESTADO in Portuguese 2031 GMT 21 Nov 95

[FBIS Translated Excerpt] Brasilia, 21 Nov (AE) — Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas], president of the Senate Economic Affairs Committee (CAE), today submitted a proposal rejecting the contracts signed by the government for the installation of the Amazon Region Surveillance System (Sivam). In a tumultuous session, during which the senator exchanged insults with Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo], Miranda also requested the cancellation of the bills authorizing the government to contract $1.395 billion in foreign loans to finance the system.

Miranda argued that the project submitted by Raytheon, which won the bidding to provide the radar equipment, was excessive, inefficient, and expensive. The senator said that the total cost will climb to $7 billion when the sum the government must spend on infrastructure to install the system is included.

The proposal received the plenum's support for a discussion, but a date for a vote on the measure has not yet been set. The CAE approved the request made by the PT bloc and summoned Ambassador Julio Cesar Gomes dos Santos for a hearing, although at a still undetermined date. It also asked the Federal Police to remit a copy of the entire transcription of a conversation between the ambassador and Lider Taxi Aereo owner Jose Afonso Assumpcao, a Raytheon representative.

Miranda cast suspicion on the procedures used by the Aeronautics Ministry and the Strategic Affairs Secretariat (SAE) for contracting the North American company Rayteon and the firm Esca [Automation and Control Systems Engineering], which was later excluded from the project because of its debts with the INSS [National Social Security Institute]. Miranda said that the selection of companies was done "behind closed doors, treating casuistry as an exception, based on the argument that the matter was a case of national security."

Change

The coordinator could not explain why he acted in a totally different way the first time he reported on the matter. Senator Esperidiao Amin (PPB-SC) [Brazilian People's Party-Santa Catarina] exhibited the transcription of Miranda's speech on the occasion — 22 December 1994 — which added a reservation to the government project by stating that loans could be signed only after the commercial contract between Raytheon and Esca was formalized. [passage omitted]

Cardoso 'Surprise' at Senator's Opinion

PY2111214395 Sao Paulo AGENCIA ESTADO in Portuguese 2016 GMT 21 Nov 95

[FBIS Translated Text] Brasilia, 21 Nov (AE) — President Fernando Henrique Cardoso received "with great surprise" the opinion of Gilberto Miranda (PMDB-AM) [Brazilian Democratic Movement Party-Amazonas State], the Senate Economic Affairs Committee (CAE) chairman, who asked for the cancellation of all the projects that authorize the contracting of foreign loans totaling $1.395 billion for implementing the Amazon Region Surveillance System (Sivam).

According to presidential spokesman Sergio Amaral, the Amazonas State senator recently "proposed to President Fernando Henrique Cardoso that the Raytheon company handle the entire Sivam implementation project, replacing the ESCA [Automation and Control Systems Engineering] company (which was removed from the project for evading payments to the INSS [National Social Security Institute]). Amaral said the president "had scheduled a meeting with the leaders [not further specified] to assess" this issue. The presidential spokesman added that Senator Miranda "did not give any clue that he would ask that the project be shelved."

Amaral reported that Elcio Alvares (PFL-ES) [Liberal Front Party-Espirito Santo State], the government bloc leader in the Senate, has already asked to review Miranda's report, and will analyze the arguments that made Miranda change his position.

The presidential spokesman refused to comment on the remarks made by Senator Antonio Carlos Magalhaes (PFL-BA) [Liberal Front Party-Bahia State] to the effect that the Sivam "is dead." According to Amaral, it is necessary to become acquainted "with the senator's arguments." The presidential spokesman championed the Sivam, saying: "It is necessary to have mechanisms to control drug trafficking, indigenous community reserves, and our national sovereignty in the Amazon Region." He noted that "the Sivam was" the alternative that the government found to achieve this goal. Amaral said the government would reconsider its support for

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the Sivam only "if a serious defect is discovered or if someone raises a better alternative, but for the time being, there is no such possibility."

CAE To Summon Officials To Testify

PY2111164895 Rio de Janeiro Rede Globo Television in Portuguese 1515 GMT 21 Nov 95

[FBIS Translated Text] Former Planalto Palace Protocol Chief Julio Cesar Gomes dos Santos has declined to grant an interview. He has decided to put forth an official note in which he will ask President Fernando Henrique Cardoso to withdraw his nomination to the post of Brazilian ambassador to Mexico.

The Senate Economic Affairs Committee [CAE] has just decided to summon Gomes dos Santos and Raytheon representative Jose Afonso Assumpcao. No dates have yet been established for the hearings. The CAE would like to first listen to the tapes that were recorded by the federal police, with a conversation between Assumpcao and Gomes dos Santos.

Bloc Leaders To Oppose Creation of CPI

PY2111150295 Sao Paulo AGENCIA ESTADO in Portuguese 1353 GMT 21 Nov 95

[FBIS Translated Text] Brasilia, 21 Nov (AE) — Leaders of the main progovernment blocs have just returned to Congress after having breakfast with President Fernando Henrique Cardoso. They have decided to oppose, at least for the time being, the creation of a Congressional Investigating Committee (CPI) to probe corruption charges in the Amazon Region Surveillance System [Sivam] project.

The congressional leaders have asked President Cardoso to conduct an administrative inquiry within the executive branch to determine the reasons behind the Federal Police's eavesdropping on the telephone conversations of former Planalto protocol chief Julio Cesar Gomes dos Santos and Raytheon representative Jose Afonso Assumpcao.

Bearing upon the decision to oppose the CPI was also the possible adverse impact the CPI would have on the congressional debate on the constitutional reforms. Deputy Michel Temer (Sao Paulo), leader of the PMDB [Brazilian Democratic Movement Party] bloc, said: "We have come to the conclusion that the creation of a CPI would jeopardize the reforms." He added: "The CPI could ultimately become a big show."

Deputy Inocencio Oliveira (Pernambuco), leader of the PFL [Liberal Front Party] bloc, yesterday supported the creation of the CPI, but changed his mind today after hearing a long explanation on Sivam from the president of the Republic.

Reportage on 2-Week State Visit by German President

Herzog Interviewed Upcoming Visit

PY2111181995 Rio de Janeiro O GLOBO in Portuguese 19 Nov 95 p 45

["Exclusive" interview with German President Roman Herzog by O GLOBO correspondent Graca Magalhaes-Ruether in Bonn, on 19 November]

[FBIS Translated Excerpt] On 20 November, German President Roman Herzog will begin, in Salvador, Bahia State, a two-week state visit to Brazil. His agenda includes meetings with writer Jorge Amado, Indian communities from the Amazon region, his Brazilian counterpart Fernando Henrique Cardoso, governors, and businessmen. Herzog will travel with his own orchestra — the Philharmonic Chamber Orchestra which will give several performances in various Brazilian cities.

The German head of state is scheduled to inaugurate the Febral industrial fair in Sao Paulo, where several agreements with German companies are to be signed. In his capacity as president of a country having a parliamentary system of government, Herzog does not govern his country. Nonetheless, he has enormous power. He is a member of the Christian Democratic Union (CDU), but his line of action is totally independent from that followed by Chancellor Helmut Kohl. Shortly before departing for Brazil, Herzog granted an exclusive interview to O GLOBO at the Villa Hammershmidt Palace, seat of the Presidency. He said that he wants his country to play a new role in Europe

[Magalhaes-Ruether] Mr. President, what importance do you attach to your state visit to Brazil?

[Herzog] This visit is tremendously important because, over the last few years, Brazil has assumed a position that befits it within Latin America. Its economic situation is excellent and therefore, the significance of my visit could not be greater.

[Magalhaes-Ruether] Why have relations between Germany and Brazil been enhanced of late?

[Herzog] There are two reasons. Following its successful economic stabilization program, Brazil is now fighting for a place in the sun and is playing a key role in world trade. Germany is slowly resolving the problems arising from reunification and is one of the leading countries in Europe. Latin America and Europe need stronger cooperation ties and it is essential that the two leading countries in the two continents should cooperate.

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[Magalhaes-Ruether] Would you, Mr. President, recommend a German entrepreneur to set up shop in Brazil?

[Herzog] We Germans obviously want German companies to open new factories in Germany. Yet as we defend the international economy, our companies need to establish industries outside Germany. Having managed to stabilized its currency, Brazil is now an extremely attractive country for investments. One should not overlook the traditional cultural relations between the two countries, which I intend to promote and enhance during my visit to Brazil since it is an additional capital that we, Germans, have in Brazil.

[Magalhaes-Ruether] What do you think of President Fernando Henrique Cardoso, Mr. President?

[Herzog] I met President Cardoso during his visit some weeks ago. We had a long talk and I can only say that I have a great confidence in him, and in his efficiency on the social and economic fronts.

[Magalhaes-Ruether] Could it be that Germans see Brazil as the entry to Mercosur [Common Market of the South]?

[Herzog] That is precisely what I think. We see that all countries are in the process of integrating their economies. This holds good in the case of Mercosur and the EU. It is only to be expected that both blocs should seek integration and closer ties between the leading countries of each region.

[Magalhaes-Ruether] What do you expect of your visit to Brazil?

[Herzog] I have already been to Brazil. Nevertheless, in my capacity as president, this is my first state visit. The agenda has already been defined. I will hold several meetings with President Cardoso and with representatives of the leading states. I have a tight schedule, including a visit to the Amazon region. [passage omitted]

Meets With Cardoso 21 Nov

PY2211031095 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 21 Nov 95

[FBIS Translated Text] President Fernando Henrique Cardoso today met with German President Roman Herzog. During a meeting with entrepreneurs of the two countries, which was held at Itamaraty, President Herzog told President Cardoso that Brazil is to Latin America and to the Common Market of the South what Germany is to Europe and to the EU. President Herzog also said that, currently, Brazil has the best investment conditions, and Germans know that.

President Cardoso thanked Herzog for his words, and said that the country that does not prepare for the next millennium — in which we are already living — and make massive investments in fundamental areas such as education, technology, and the environment will be left out of the modernization process. Cardoso said Brazil is already working on this process, and counts on the trustworthy and solid partnership of Germany to do that.

Urges Signing of NPT

PY2211112295 Sao Paulo AGENCIA ESTADO in Portuguese 2313 GMT 21 Nov 95

[FBIS Translated Text] Brasilia, 21 Nov (AE) — Following a meeting with President Fernando Henrique Cardoso, German President Roman Herzog today complained about the fact that Brazil has not yet signed the Nuclear Nonproliferation Treaty. The treaty was one of the subjects of conversation between the two presidents in Planalto Palace. Herzog said he recommended that Brazil sign the treaty despite the fact that Brazil already submits to controls by the International Atomic Energy Agency.

Herzog also said that he spoke with Cardoso about Brazilian economic development, the stability of the real, and human rights. Herzog said he is impressed with Cardoso's frankness regarding Brazilian social problems.

For the German president, it is "unusual" to hear a president assume responsibility for acts of torture that took place before his mandate and to promise to pay compensation to the families of the victims. "I am deeply impressed with President Fernando Henrique Cardoso," he said. Herzog believes that Cardoso still has "a long way to go" in the social field.

Views German Investment, Cooperation

PY2211030595 Sao Paulo AGENCIA ESTADO in Portuguese 2002 GMT 21 Nov 95

[Report by Sandra Sato]

[FBIS Translated Text] Brasilia, 21 Nov (AE) — Even with the specter of the Mexican crisis haunting other Latin American countries, German President Roman Herzog said today that the German Government and German entrepreneurs are interested in investing in Brazil. Herzog said: "Chances here are better than in other countries." He emphasized that the monetary reform implemented through the Real Plan offers "great hopes for the future."

The president reported that the studies conducted on investments in Brazil do not rule out the possibility of problems similar to those that occurred in Mexico.

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Herzog admitted: "German industrialists who want to invest in Brazil consider the risks." Nevertheless, he noted: "Nothing in life is totally safe."

In Herzog's opinion, the fact that the Real Plan exists and is stable represents a good indication, according to the assessments made by the German researchers.

German Economy Minister Gunther Rexrodt added that Brazil has curbed inflation, is fighting its fiscal problems, and is complying with its foreign debt rescheduling commitments. In addition, Brazil represents a large market and has qualified manpower. The German economy minister noted: "Brazil is an extremely attractive country for Germans."

The German minister noted that, after the changes made in Brazil, studies are under way to change Brazil's rating from 4 to 3 for the exports insurance contracts. On a scale of 1 to 5, a rating of 3 is given to countries that are in order and have a good economic base. According to the German minister, the increased rating represents "evidence" that the Germans' confidence in Brazil has increased.

Rexrodt, who occupies a post which, in Brazil, would be equivalent to managing the Finance Ministry, the Industry and Commerce Ministry, and the Planning Ministry to a certain extent, said he would use his visit to gather more information about the Brazilian economy. The minister wants answers to doubts harbored by the German researchers on production costs, infrastructure, tax policy, interest rates, and customs duties in Brazil.

Neither the German president nor the German finance minister confirmed reports that Germany would invest about $7 billion in Brazil. President Herzog believes this amount could be linked to the total that has been invested in Brazil thus far: $10 billion out of a total of $17.8 billion that has been invested in Latin America. The German finance minister preferred not to make "specific projections on new investments." Nevertheless, both of them agreed that cooperation between Germany and Brazil could increase gradually. President Herzog noted that the cooperation between the two countries had been impaired in the past because Brazil went through a period of self-confinement and Germany was focused on the conflict between East and West Europe. On 27 November, Herzog and Brazilian President Fernando Henrique Cardoso will inaugurate the German Industrial Technology Fair in Sao Paulo.

Central Bank Issues Regulations for New Banks

PY2111185595 Rio de Janeiro JORNAL DO BRASIL in Portuguese 17 Nov 95 p 12

[Article by Gustavo Freire and Cristiano Romero]

[FBIS Translated Text] Brasilia — On 16 November, the government tightened the conditions for the opening of new banks, increasing by 400 percent the minimum capital demanded from those who want to open a new financial institution. The Central Bank also facilitated the incorporation of banks by allowing the institutions to register incorporation expenses in their balances for up to five years. The two measures are part of the regulations of the Program to Encourage the Reorganization and Strengthening of the National Financial System (Proer), which Central Bank President Gustavo Loyola announced on 16 November.

Banks that opened less than two years ago, for example, will be compelled to increase their capital to at least 32 percent of their total loans. This percentage previously stood at 8 percent of bank credit operations. The change will not affect banks created more than six years ago, which thus became interesting for foreign banks that wanted to open branches in Brazil.

Loyola, who was accompanied by Standard Department Director Sergio Darcy and Standard Director Claudio Mauch, reiterated that stockholders of banks sold under Proer must leave the financial market. For example, this might prevent Nacional Bank stockholders — after a possible union with Unibanco — from continuing their operations on the financial market through an investment bank. Information currently available on the financial market shows that Unibanco wants to work in the retail sector of the bank, leaving investment to the original stockholders.

The Measures

Dubious Credit

Through a resolution, the Central Bank states that all unpaid credits that fell due more than 180 days ago can be considered difficult to recover. Credits that fell due more than 60 days earlier may also be classified as dubious after analysis by the Central Bank.

This measure is essential for those banks that are incorporating another institution, to calculate the difference between the value paid for the stock and the real value of the purchased bank. This difference may be deducted from the income tax to a limit of 30 percent of the bank's net profit.

The larger the number of credits that are difficult to recover, the higher the difference paid by the incorpo-

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rating bank. The Federal Revenue Secretariat considers a credit difficult to recover only after all possibilities for recovery have been tried, and the amount can be deducted only two years later. The new benefit will apply only to incorporations.

New Banks

A Central Bank resolution makes it more difficult to open new banks, although the measure facilitate mergers.

Now, for the first two years of existence of a bank, the minimum capital must be equivalent to 32 percent of the total value of credits; to 24 percent in the two following years; to 16 percent in the fifth and sixth years; and to 8 percent as of the seventh year of bank operations.

Today, the minimum capital must be equivalent to only 8 percent of credits. The change will facilitate mergers and incorporations of older banks, because of their lower minimum capital requirement.

Minimum Capital

Under current financial system rules, the assets of a bank that incorporates another bank must be worth 3.2 times the value of the assets of the institution that is being purchased. In case of individuals, their assets must be equivalent to at least 2.2 times of the value of bank assets. Current Central Bank regulations deal with the minimum capital of incorporated banks, which is smaller than bank assets.

Income Tax Deductions

All restructuring expenses (closure of branches, dismissals, harmonization of computer systems, etc.) that result from mergers and incorporations may be deducted from Income Tax payments over five years.

Stockholders

Incorporated bank stockholders must leave the management of the new bank. Furthermore, they will be forbidden to operate again on the financial market.

Nacional Bank Merger With Unibanco Finalized

PY2211001895 Rio de Janeiro O GLOBO in Portuguese 19 Nov 95 p 54

[Article by Adriana Chiarini and Rossana Alves]

[FBIS Translated Text] Brasilia — Central Bank President Gustavo Loyola has announced that Unibanco has absorbed the Nacional Bank. All Nacional Bank clients automatically become Unibanco clients. Nacional Bank clerks now become Unibanco employees. Nacional Bank offices will open normally on 20 November. Checks, credit cards, and 24-hour automatic teller cards will function normally.

Loyola added that Nacional Bank account holders will not suffer any loss, and there will be no interruption in Nacional Bank services.

Unibanco President Roberto Bornhausen said: All Nacional Bank services will continue normally, but as part of Unibanco service.

Loyola explained that the Nacional Bank no longer exists, that all its services have been transferred to Unibanco. Nacional Bank offices will open on 20 November, but as Unibanco offices. The Central Bank facilitated the transaction to protect the interests of account holders during the transfer of assets, loans, debts, and services from the Nacional Bank to Unibanco. This was done through one of the superpowers recently granted to the Central Bank through Provisional Measure [MP] 1182.

This MP allows the Central Bank to transfer assets, rights, and obligations from one bank to the other and to modify participation in the institutions' shares. This, however, can only be done in cases of trusteeship, liquidation, or Special Regime of Temporary Administration (Raet). To transfer Nacional Bank services to Unibanco, the Central Bank decreed the Raet on 18 November.

Excessive publicity on the Nacional Bank negotiations with Unibanco last week caused a drop in the amount of deposits being made at the Nacional Bank. This drop could cause problems. As Loyola said: That is why we decreed the Raet, at the request of the Nacional Bank comptrollers.

Chile

Negotiating Group Considering Accord With Canada

PY2211001995 Santiago LA TERCERA DE LA HORA in Spanish 6 Nov 95 p 23

[Article by Roberto Ordonez Wenz]

[FBIS Translated Text] The decision to postpone the "fast track" [preceding two words in English] policy in the United States has created an atmosphere of frustration, not only in Chile but also in Canada and Mexico — the other two NAFTA partners. These countries just sit and watch, rather helplessly, how domestic U.S. politics continue to impose on the multinational characteristics this trade bloc. [sentence as published]

As a result, Canada has confidentially proposed to Chile to continue advancing toward a bilateral agreement,

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and Mexico has suggested deepening a treaty that has already been in force since September 1991.

The Chilean group in charge of negotiating NAFTA, which is headed by Juan Gabriel Valdes and Finance Minister Eduardo Aninat, is seriously considering negotiating with Canada and improving certain aspects of the accord for economic complementation signed with Mexico, until the U.S. Congress decides to authorize President Bill Clinton to adopt the "fast track."

The "fast track" is a legislative rule that allows the White House to freely and speedily negotiate free trade accords with third countries. The decision to postpone it implies delaying the start of formal negotiations that will allow Chile to join NAFTA until early 1997, when the U.S. presidential elections will be held.

U.S. Senate president Bob Dole, who is the Republican Party presidential pre-candidate, said on 7 November that he opposes granting Clinton this facility "because there must be a certain interval to evaluate how NAFTA has been functioning."

The main dispute between Republicans and Democrats resides in the insistence by Clinton's party to add labor and environmental provisions to the "fast track" text.

Canada and Mexico

Juan Gabriel Valdes, head of the Chilean team negotiating with NAFTA, told LA TERCERA DE LA HORA that it is still too early to predict if the U.S. Congress will authorization Clinton to implement the "fast track" this year or at the beginning of next year. Valdes admitted, however, that the Finance Ministry believes the situation will be different in 1996.

He explained that one thing that will not change is that Chile "will not negotiate without the 'fast track,' and will not condition negotiations to the U.S. presidential elections schedule."

Valdes added that one possibility is that Chile will advance the negotiations in certain areas without compromising the foundations for the central negotiation of NAFTA, for example, "to apply WTO accords to the talks and to advance direct negotiations with Canada and Mexico. Unlike the United States, these countries do not require a 'fast track' to negotiate the agreement."

Valdes said that with Mexico, Chile will advance negotiations to review the current list of exceptions and that with Canada, it could advance direct negotiations.

Valdes said: "Both countries have expressed interest in advancing negotiations with Chile in 1996 if by then the United States is still unable to do so," He added that the Chilean Government "will soon make a decision."

Foreign Minister, Japanese Counterpart Discuss Agenda

PY2111215195 Santiago EL MERCURIO in Spanish 20 Nov 95 p C2

[Report by special correspondent Maria Jose Errazuriz L., in Osaka; date not given]

[FBIS Translated Text] Chilean Foreign Minister Jose Miguel Insulza and Japanese Foreign Minister Yohei Kono met in Osaka to review the economic and political agenda shared by the two countries, especially their participation in the UN Security Council and APEC [Asia-Pacific Economic Cooperation]. Recently Chile was elected non-permanent member of the UN Security Council and Japan will be a candidate next year.

Insulza assured his Japanese counterpart that his government will support Japan's candidacy as well as its aspiration to become a permanent member of this UN body. He added that the Chilean and Japanese Governments will promote a vast program to celebrate the 100th anniversary of bilateral relations in 1997.

The meeting was also attended by Ambassadors Carlos Mladinic, international economic relations director; Jaime Lagos, Chilean representative in Japan; and Raul Schmidt, Chilean Foreign Ministry director for Asian-Pacific affairs.

During the meeting, Minister Kono noted that Chile has put a diplomatic emphasis into its links with Asia-Pacific. It is hoped Chile will have a very dynamic participation in the Program of Partners for Development [Programa de Socios Para el Progreso] which Japan announced in Osaka and whose initial support entails $100 million.

Insulza congratulated Kono on the successful organization of the third APEC summit and for reaching the necessary level of agreement during the event. He asserted: "This is a decisive year for APEC. The fact that Japan has made it possible to take a step forward is very valuable. The program is substantial because cooperation must be granted at all levels to attain the liberalization of trade and investments. Chile is willing to fully participate in this project."

Insulza disclosed that next year Chile will host the Chile-Japan Entrepreneurial Committee meeting, as well as a meeting of the 21st Century of the Pacific Rim.

Insulza asserted that Japan fully agrees with the government decision to condemn the nuclear tests in the Pacific.

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New Movement Formed Within National Renewal Party

PY2111191095 Santiago EL MERCURIO in Spanish 16 Nov 95 p C3

[FBIS Translated Excerpt] Deputy Alberto Cardemil yesterday announced the creation of a new movement within the National Renewal Party [RN]. It is formed by those who represented the minority during the RN General Council meeting in Temuco last weekend.

On that occasion, the position of the RN leadership — headed by Andres Allamand — on the amendment to the Constitution got 60 percent of the votes. Among the proposed amendments to the Constitution is the elimination of designated senators.

Cardemil said that as 40 percent of party delegates rejected the amendments, this position should be fully consolidated, developed, and projected into the future within the party.

Six deputies of the anti-reforms tendency asserted in Valparaiso that the General Council agreed to end the policy of agreements with the Coalition of Parties for Democracy [CPPD] and start a more clear and energetic opposition.

They said the General Council rejected the two versions of the Frei proposal regarding constitutional reforms, and approved the idea of legislating on the grounds of amendments proposed by the party.

Cardemil, who represents what is known as the Jarpist [Jarpista, from Sergio Onofre Jarpa] movement of the RN — also called National Doctrinal Current — said an attempt will be made to rescue the party principles. He said he met with various leaders, legislators, and militants of this new group — among whom he mentioned Sergio Onofre Jarpa, Senators Francisco Prat and Alberto Cooper, and Deputy Luis Valentin Ferrada.

This is the first time this sector has formally announced it is a current within the RN, based on the support received during the recent General Council meeting. It allegedly seeks to capitalize on this support during the upcoming general elections scheduled for November 1996. It is quite likely, however, that these elections will be postponed until early 1997 to avoid coinciding with the municipal elections to be held in early December 1996.

This information was confirmed by Cardemil, who announced that, identified as a current for the recovery and projection of RN, they will participate in all the party's future elections — that is: the elections of the youth faction as well as the election of the general delegates, political commission, and executive board.

This movement identifies itself with, and supports, the military government, and defends what it calls the constitutional stability.

Cardemil added that in no way do they seek to divide the RN, and urged all party members who feel annoyed with the General Council agreement not to leave the party. He said: "We believe the ideals we uphold are better and more efficiently defended from within the party."

Cardemil said they seek the unity of the center rightist sector. For this they will hold informal meetings with leaders of the Independent Democratic Union, seeking to reorganize the Unity for Chile. [passage omitted]

Labor Leader Manuel Bustos Interviewed

PY2011210895 Santiago LA TERCERA DE LA HORA in Spanish 12 Nov 95 pp 14-15

[Interivew with Manuel Bustos, president of the United Labor Confederation, CUT, by Raul Rojas on 10 November; place not given]

[FBIS Translated Excerpt] [Passage omitted]

[Rojas] Was the CUT rally a failure or a success?

[Bustos] It fulfilled our expectations and objectives. We wanted workers to march to express their views about the labor reform and authoritarian enclaves that undermine the democratic process. This has been fully achieved.

[Rojas] How about the disorders?

[Bustos] It is the responsibility of all Chileans to be aware of these groups which are showing such aggressiveness that any honest Chilean should be concerned. We should approach them, create room for them, and show them a rational manner of discussion and explain to them that they are wrong in what they are doing.

[Rojas] When these things occur, it is always the ultraright or the ultraleft which are blamed for it.

[Bustos] I am not blaming anyone but these are youths who were inherited from a military dictatorship and who were brought under extreme anguish and amid violent situations. I suppose they have been encouraged by someone who wants to destroy the organizations. They oppose everything. Their writings read: "Without God or Law."

Something Personal

[Rojas] Honestly speaking, don't you believe these demonstrations are staged personally against you?

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[Bustos] No. If they were staged by workers, I would say that we had a problem. But these are boys who are involved in who knows what. If someone wants to criticize me, I am willing to acknowledge the reprimand.

[Rojas] Do you feel harassed?

[Bustos] No. Why should I? I have never been harassed by the police, jailed, or exiled. It is all part of the job. I have been a union leader for the past 20 years.

[Rojas] Don't you feel that all workers reject you?

[Bustos] Workers have never rejected me. Those who protested were not workers, but youths.

[Rojas] Do you plan to perpetuate yourself as CUT president?

[Bustos] I have never said that and I will not address this issue in the future anymore. At any rate, wherever I may be, I will work to promote social justice and workers' claims. There are 560,000 [figure as published] CUT members, whom I represent. I also try to speak on behalf of those who are not members, and who earn miserable salaries and are humiliated.

[Rojas] Some complain about the fact that the CUT only groups 10 percent of organized labor.

[Bustos] That is false. CUT unions represent 14 percent of all national unions. We have 50 percent of unionized labor. That is, more or less, 320,000 [figure as published] members; the remaining 200,000 are not members of either the labor federations or the labor confederations. If to this you add the number of public servants, we have a total of 560,000 members. The total number of unionized workers is 1,100,000. Therefore, the CUT represent 50 percent of unionized workers.

Legitimate Representative

[Passage omitted]

[Rojas] In your speech you said businessmen dislike unions, that they are arrogant and irritating.

[Bustos] I believe that the vast majority of businessmen are against unions. After the coup they felt that the best way to handle unions was to put them under control of the military. The return of democracy and the attitude of Manuel Feliu, [president of the Production Development Corporation, Corfo, up to 1990] helped to achieve a level of understanding and important agreements were signed with Corfo. Unfortunately, when he left, the arrogance, contempt and opposition to union groups returned to the business sector. They know that their profits will increase without unions or collective bargaining processes.

[Rojas] Is it a fact that union-businessmen ties are bad?

[Bustos] There is a complete deterioration of our ties with the business leadership. They are not interested in speaking to us. We are always willing to negotiate important issues. I believe this situation will worsen and this is something that affects the entire country. Just because we have a commitment with democracy does not mean we will tolerate to be ignored or to have over 500,000 workers earning the minimum salary; and over 2 million workers earning 100,000 Chilean pesos per month. We will struggle to make people aware that one of the problems affecting Chile is its bad distribution of wealth. We will do this whether they like it or not.

[Rojas] You say you are always willing to talk. But the CUT withdrew from the Production Development Forum.

[Bustos] We are not willing to attend a meeting that will review only those issues that are of interest to business groups: productivity, quality, efficiency and responsibility. Let's discuss incentives, salaries, unemployment insurance, and labor reforms. But no, these are not subjects worthy of discussion for them! If we tell workers to redouble their efforts, we must also have some news about their "salary" [para].

Exploitation

[Rojas] The president appealed for harmonious relations between business and union groups to prevail.

[Bustos] The president has taken the trouble to make this appeal but he also must urge his cabinet members to take action. It is necessary for the labor minister to summon tripartite meetings to achieve the rapprochement of the different positions. The businessmen, however, are not interested in this because they are making profits at the expense of the exploitation of workers.

[Rojas] Do you believe the majority of Chilean workers are exploited?

[Bustos] A great majority of them are. No, the majority of them are exploited! Those working at the middle-level and wage-earner levels are earning miserable salaries. This is also the case of semiskilled workers.

Labor Reforms

[Rojas] The CUT and the workers reject the labor reforms.

[Bustos] We do not reject them. Our struggle lies in making the government accept some of our observations to improve the draft bill.

[Rojas] You believe this is a modest reform.

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[Bustos] They are very modest reforms that will not resolve the different inequalities between businessmen and workers.

[Rojas] Why do producers reject the labor reform bill?

[Bustos] Because they are protecting their interests. We do not want to destroy the economic system because we believe we have to give it a chance. The labor reform does not threaten the economic system; it merely states that businessmen must negotiate with workers. It does not mean that they have to comply with their requests, or increase their salaries by decree. Today, businessmen do not listen to their requests. They want to resolve everything pertaining to firings, hirings, salaries and productivity. That is being selfish. It is being unable to understand that they are dealing with human beings.

[Rojas] It is stated that because of the economic growth, 8 out of 10 Chileans have ceased to live in poverty in the past decade.

[Bustos] I believe that economic growth without tools that seek to achieve an equal distribution of wealth does not eradicate extreme poverty. It is not possible for wealth to be centered in the hands of so few in Chile, we hope that economic growth will eradicate poverty. Wealthy people are not generous unless to give for charity — which they do only because they believe that in so doing they have assured themselves a place in heaven.

[Rojas] Does the CUT support the market economy or not?

[Bustos] We have increasingly more doubts. We are quite anguished about it because we believe that the market is savage, ignores people, and has dehumanizing effects. A market, without a strong presence of the state, will not help us achieve development.

[Rojas] Do you support social policies?

[Bustos] I believe in an open economy that can compete with the rest of the world. But Chile has made two serious mistakes: It upholds open economic measures in a protectionist world. The current open economic practices upheld in Chile go far beyond what is prudent. It must be regulated. If we do not demand reciprocal open economic policies, we will destroy Chilean industry. The textile industry is partially destroyed because of the disloyal competition of Asian countries. The same applies to the leather and shoe industry because we are being invaded with subsidized Brazilian shoes. Chilean products cannot openly compete, however, in these markets. [passage omitted]

Threats

[Rojas] Which are the main threats this administration is confronting?

[Bustos] The military. The human rights issue is a very complicated thing. It is an issue that must always be taken into account when new appointments are made at the Armed Forces level, because we must chose those who firmly uphold democratic concepts.

[Rojas] In these days in which everyone is speaking about human rights, are you closer to the administration or the Socialist Party?

[Bustos] We are not closer to anyone but we are against discussing reforms with the same people who were accomplices in perpetrating these excesses; who were cabinet members of the military government; who ordered the banishments of people; who were ambassadors to the United Nations and said that there were no missing people, but today say that the most important thing now is to find them. Over 300 CUT leaders have been reported missing.

There is no room to speak of a special law. Things should be left as they are, and let the courts be in charge of finding those responsible, and in charge of the rulings.

[Rojas] You contend to leave things as they are but the president of your party, the Christian Democratic Party, has stated that we cannot spend the rest of our lives counting the dead.

[Bustos] I disagree with this phrase. I believe it was an unfortunate expression. If we leave things as they are, there will come a time when everyone will demand a solution. It is immoral to negotiate, today, with those who were accomplices of those who perpetrated the excesses.

[Rojas] Meanwhile, are we condemned to continue fighting?

[Bustos] No one is fighting anyone. The relatives of the missing detainees are entitled to learn about their whereabouts. But don't believe that because a law is issued tomorrow, everything will be resolved. These people will continue to look for their relatives and demand that justice be done. Everything takes time. [passage omitted]

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Colombia

President Rules Out Resignation Allegations

PA2211015295 Santa Fe de Bogota Inravision Television Canal A Network In Spanish 0000 GMT 22

[Report by Orlando Guerrero from the "Seven O'Clock Newscast"]

[FBIS Translated Text] President Ernesto Samper referred today to two controversial issues: the status of the investigation into the murder of Alvaro Gomez, and an article printed by British magazine THE ECONOMIST.

During the unveiling of the General Public Accounting Plan, President Samper rejected allegations by a British magazine according to which the current political crisis would prompt him to step down from office due to a virtual economic collapse.

[Begin Samper recording] During these past days some publications, well-known for the sound reputation of their economic analysis, have ventured with evident boldness into the unpredictable field of political speculation. These isolated opinions are fortunately not being supported by facts. The economy has recorded satisfactory levels of growth... [end recording]

During the Colonel Ferguson medal award ceremony to granted to several military officers and supporters of his administration, the president referred to investigations into the murder of Alvaro Lopez Hurtado.

[Begin recording] Any premature allegation related to blame could not only turn out to be reckless and cause institutional damages, such as what could be unjustly taking place with the Armed Forces, but could also mislead the course of the investigation and condemn it to a virtual failure. [end recording]

Defense Minister on U.S. Aid To Fight Drugs

PA2111185995 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 21 Nov 95

[Report by William Calderon; from the "Seven O'Clock Newscast"]

[FBIS Translated Text] The differences between the prosecutor general's office and the administration resurfaced today. The defense minister said that one should not cast a shadow of doubt over the entire military institution without waiting for the conclusion of the investigation of Alvaro Gomez' murder. The minister also spoke about his activities in the United States.

[Begin recording] [Calderon] During his recent visit to the United States, Defense Minister Esguerra carried out intense lobbying efforts to convince high-ranking U.S. officials that the Colombian guerrilla forces are very committed to drug trafficking in some areas of Colombia, and with the Cali and the Medellin Cartels.

[Esguerra] We asked the United States for continued help in the fight against the narco-guerrilla forces and we are in the process of making them understand that it is no longer possible, at least not in every case, to make a quick and thorough distinction regarding these matters as was traditionally done.

[Calderon] This is why the aid which Colombia receives from the United States each year to fight drug trafficking will also be used to destroy the plantations protected by the guerrilla forces.

In addition, the defense minister said that the way in which the prosecutor's office wants to involve the army in the murder of Alvaro Gomez Hurtado is unacceptable.

[Esguerra] What astonishes me is that such a general and vague accusation can be made that casts a shadow of doubt over the entire public force, military establishment, and police force. As defense minister, I consider this unacceptable. [end recording]

Samper's Lawyer: Assistant Prosecutor Instigated Attack

PA2211013395 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 21 Nov 95

[From the "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Attention: Caracol has learned exclusively that Antonio Jose Cancino, who is the president's attorney, has accused Assistant Prosecutor General Adolfo Salamanca as being the determining factor [determinador] behind the attack Cancino suffered.

The accusation presented by Antonio Jose Cancino was part of the judicial proceedings carried out by Cancino with regular judges [jueces de rostro]—not with regional prosecutors—approximately 10 days ago. This took place at the Prosecutor General's Office, which had summoned Cancino to testify freely and spontaneously over an alleged leak in the summary enquiries to Dr. Santiago Medina, former treasurer of President Samper Pizano's presidential campaign, within the framework of the so-called 8000 Case.

Cancino did not accuse Adolfo Salamanca of being the mastermind or accomplice, but of being a determining factor to a behavior, which according to Cancino, is what finally motivated the people who tried to kill him.

Caracol has therefore learned from General Prosecutor's Office sources that Assistant Prosecutor Adolfo Salamanca has been accused.

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Former Generals Denounce Alleged Clique Within Army

PA2111193395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1800 GMT 19 Nov 95

[Report by Ivan Dario Parra; from the "Cripton Newscast"]

[FBIS Translated Text] Generals Marino Gutierrez and Carlos Leon-Gomez, who recently retired from the Colombia Army, have denounced an alleged clique within the institution.

[Begin Gutierrez recording] The 4th Division is the most successful military unit fighting the subversives. We have inflicted more than 180 casualties on the criminals, not to mention arrests. [end recording]

There are several versions on the departure of the two officers. Some sectors within the Army believe Gen. Gutierrez is a temperamental man, who had carried out operations against the guerrillas that were so successful that he was first in line to occupy the Army's command in a future promotion. This version is the one that has gained the most strength in the last few hours. That is why in yesterday's explosive statements, Gen. Gutierrez said his departure from the Army was caused by personal problems and not institutional ones.

[Begin Gutierrez recording] There are no institutional reasons. There is a personal reason to discharge me. I am frequently asked: Is it fair? I believe it is extremely unfair. [end recording]

Gen. Carlos Leon-Gomez is another hard-line officer. As commander in Cordoba Department, he waged a tough battle against the paramilitary groups, especially against Fidel Castano. Certain sectors in high-level government positions considered him a conspirator, an accusation he flatly rejected. According to him he was discharged from the Army because of this reason.

[Begin Leon-Gomez recording] A person is loyal until [words indistinct]. I have been loyal to the Army command. This operation, in which there were three persons killed, in which there are families crying over those deaths, and in which there are eight injuries, three of them serious, was conducted under military pressure. [end recording]

In spite of what the generals say, the version of Army Commander Gen. Harold Bedoya is totally different. Bedoya said nothing has happened here.

[Begin recording] [Unidentified reporter] Generals Marino Gutierrez and Carlos Leon-Gomez apparently were very successful in public order operations.

[Bedoya] We do not deny they had successful results, but this is all a matter of a natural dynamics within an Army.

[Reporter] They said in a news conference that they did not belong to General Bedoya's clique.

[Bedoya] There is no clique. I do not know about any cliques within the Army. I have not had any cliques and I have not belonged to any clique. The only clique we have had is the clique to work together for Colombia. I do not have personal problems with anyone in the Army. I am a commander. My duty is to lead. I believe everyone has done his share in the Army. Some will have to leave to open up room for those who are being promoted.

[Reporter] There is talk about Army conspiracy. They said they did not belong to this conspiracy and that is why they were discharged?

[Bedoya] I sincerely do not know about any conspiracy. The Army has never gotten involved in conspiracies, let alone against the government or the state. [end recording]

Cali Police Chief: City Needs More Agents

PA2111142595 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 20 Nov 95

[Report by Sammy Khalil; from "Caracol's 0600 to 0900" newscast]

[FBIS Translated Text] Cali Metropolitan Police Commander Luis Bernardo Maldonado has recognized that the city needs at least 15,000 agents to cover the deficit in this sector. Cali has 2,500 policemen, and the notorious deficit of law and order representatives has increased due to the purging of 500 agents, whose involvement in drug-trafficking activities was confirmed, according to the Cali police commander.

[Begin Maldonado recording] [Words indistinct] every time they are expelled from the institution. This is why if we talked about Cali, it had 3,000 policemen last year; it now has 2,500 men. Recruiting 500 agents is a slow process that involves many efforts, because it takes one year to train a man, a policeman. [end recording]

The high-ranking official pointed out that the incorporation of at least 3,600 police assistants, who are police academy graduates [bachiller de policia], has constituted a relief to the shortage.

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Ecuador

President Makes Court Appearance in Funds Case

PY2111220195 Quito Voz de Los Andes in Spanish 1700 GMT 21 Nov 95

[Live relay by Loida Carriel from the Court of Constitutional Guarantees]

[FBIS Translated Excerpt] This morning President Sixto Duran-Ballen appeared before members of the Court of Constitutional Guarantees [TGC] to defend the legality of the secrecy of the decree by which he took custody of the microfilms of the accounts of the vice presidency.

President Duran-Ballen arrived at the TGC amid great security measures with Government Minister Javier Ledesma and Presidential Legal Advisor Arturo Donoso. Duran-Ballen did not talk with the media but Minister Ledesma said the government will abide by the TGC decision.

[Begin Ledesma recording] We will abide by the TGC decision. We made that announcement public and we are proving it by coming here. We proved it through the lifting of the secrecy of the decree [words indistinct]. [end recording]

TGC President Ernesto Lopez said there are not enough court members to decide if the secrecy of the decree is unconstitutional. Lopez said there are only seven judges, of which three support the government and four believe the decree is unconstitutional. Five votes are needed to declare that the secrecy of the decree is unconstitutional. Thus, the procedure will probably be shelved. [passage omitted]

Paraguay

Military Promotions Board Promotes 10 New Generals

PY2111221995

[FBIS Editorial Report] Asuncion ABC COLOR in Spanish and Asuncion NOTICIAS in Spanish on 18 November publish articles on promotions and retirements in the Paraguayan Armed Forces.

ABC COLOR publishes a 1,000-word article on page 3 of its 18 November issue stating that "the Armed Forces Promotions Board yesterday confirmed the promotion of 10 new generals and the retirement of seven generals, and placed three generals at the disposal of the commander in chief."

The article notes that the four generals who allegedly wrote a note of total and unconditional support to General Lino Cesar Oviedo had different luck at the Promotions Board: General Juan Simon Paredes was placed at the disposal of the commander in chief, General Odalio Palacios was named commander of the 2d Infantry Division, General Cirilo Velazquez was named commander of the 1st Infantry Division, and General Mario Galdona was sent into retirement.

The article notes that in the Air Force, Hector A. Ocampos was promoted to the rank of division general and named commander of the National War School, while in the Navy, Vice Admiral Ramon Legal Basualdo stays on active duty and continues as a link between the Armed Forces and Congress.

NOTICIAS publishes an 800-word article on pages 4 and 5 of its 18 November issue mentioning that General Juan Simon Paredes, who expressed unconditional support for Gen. Oviedo, was left out of the chain of command, while General Carlos Ayala, who contested Oviedo's orders, was sent into retirement.

The article also gives the following list of high-ranking officers who will go into retirement: Division General Corsino Allende Serviano, Division General Federico Magno Candia Flores, Division General Jorge Mendoza Gaete, Division General Jose Tomas Centurion, Brigade General Mario Galdona, Brigade General Jose Ovando, and Brigade General Carlos Ayala. Further included are the names of three generals who were placed at the disposal of the commander in chief: Brigade General Juan Simon Paredes, Brigade General Abelardo Vera Alarcon, and Brigade General Victor Segovia Rios.

The following, again from pages 4 and 5 of the 18 November issue of NOTICIAS, is a list of 29 other high-ranking officers who will also retire: Colonel DEM (from the General Staff School) Eduardo Yasuo Kischi Ichikawa, Colonel DEM Julio Praxedes Scarone Samudio, Colonel DEM Albino Rojas Arzamendia, Colonel DEM Tito Alcides Melgarejo Paredes, Colonel DEM Alejandro Ramon Roman Ferreira, Colonel DEM Derlis Ruben Baruja Arbues, Colonel DEM Ismael Reinerio Britez Caceres, Colonel DEM Antonio Celso Quinonez Franco, Colonel DEM Carlos A. Medina Monjagate, Colonel DEM Victor Aparicio Lugo Quintana, Colonel DEM Blas Ramon Ortiz Groppis, Colonel DEM Juan Silvino Benitez Alvarenga, Colonel DEM Jorge Abdon Amarilla Snead, Colonel DEM Nimio Rafael Martinez Paredes, Colonel DEM Dario Miguel Medina Franco, Colonel DEM Leandro Anibal Lopez Gimenez, Colonel DEM Teodoro Ramon Delgado Cuevas, Colonel DEM Carlos Antonio Rodriguez Encina, Colonel DEM Ramon Ferreira Garbini, Colonel DEM Romualdo Maciel Jara, Colonel DEM Miguel Caje Ruiz, Colonel DEM Luis Santiago Lopez Silva, Colonel DEM Virginio Ortiz Maidana, Colonel DEM Humberto Lidio Vera y Aragon, Colonel DEM Antonio Aveiro Aveiro,

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Colonel DEM Sinforiano Britez Campuzano, Colonel DEM Miguel A. Torres Mello, Brigade General Francisco A. Vera Alarcon, and Brigade General Carlos A. Ayala Gonzalez.

NOTICIAS publishes in its 19 November issue, on pages 4 and 5, a 700-word article with the list of the new top commanders of the three Armed Forces branches. The list is as follows:

Commander in Chief	Juan Carlos Wasmosy
Military Forces Commander	Div. Gen. Silvio R. Noguera
Joint Chief of Staff	Div. Gen. Oscar R. Diaz Delmas
Military Supreme Court	Gen. Fausto Facetti
Defense Minister	Hugo Estigarribia Elizeche
Defense Vice Minister	Brig. Gen. Hector Ocampos Diaz
Army	
Commander	Div. Gen. Lino Cesar Oviedo
Chief of Staff	Col. DEM Abilio Gimenez Acosta
1st Corps Commander	Brig. Gen. Santiago Zaracho Prucadez
Chief of Staff	Col. Jorge Caballero
2d Corps Commander	Brig. Gen. Pedro Fernando Torres
Chief of Staff	Brig. Gen. Pedro Hugo Canete
3d Corps Commander	Brig. Gen. Eligio R. Torres Heyn
Chief of Staff	Col. Oscar Schulz Stump
Logistics Commander	Brig. Gen. Augusto Nunez Gonzalez
Chief of Staff	Col. Esteban Rodriguez
Artillery Commander	Col. Mario Gomez de la Puente
Chief of Staff	Lt. Col. Mario Ramirez Jara
Engineering Commander	Gen. Pablo Manuel Idoyaga Viera
Chief of Staff	Col. Cesar Molinas Mendoza
Air Force	
Commander	Gen. Cesar Cramer Benitez
Chief of Staff	Col. DEM Osvaldo Catalino Farias
1st Air Brigade	Brig. Gen. Mario Libio Espinoza
Chief of Staff	Col. Dario Florencio Maciel
Logistics Brigade	Col. DEM Genaro Nunez Roman
Chief of Staff	Col. Higinio Cesar Moreno
Navy	
Commander	Vice Admiral Carlos G. Lopez Moreira
Chief of Staff	Rear Admiral Jose R. Ocampo Alfaro
War Fleet Commander	Rear Admiral Miguel Roig Benitez

Peru

Fujimori's Possible Candidacy Provokes Controversy

PY2111162395 Madrid EFE in Spanish 1830 GMT 20 Nov 95

[FBIS Translated Text] Lima, 20 Nov (EFE)—Peruvian President Alberto Fujimori's apparent intention to seek reelection in the year 2000, as Fujimori himself insinuated, has alarmed the opposition which flatly rejected it as unconstitutional.

Fujimori's possible candidacy was insinuated last Friday by the president in an impromptu speech to a large group of businessmen in the Lima district of Santa Anita.

Fujimori recalled that on the two occasions when he won the presidential elections he announced his candidacy in that place, and added that "perhaps I will also do it for the year 2000," referring to the general elections slated for that year.

Although the president explained that he was only joking, his words have alarmed the opposition and caused an unexpected conflict when the next general elections are still five years away.

Congressman and lawyer Jorge Avendano, of the Union For Peru (UPP) headed by Javier Perez de Cuellar, said that a Fujimori's new candidacy is impossible because it would be unconstitutional.

Avendano has thus referred to an article of the Constitution which states that the president of the Republic can be reelected only for two consecutive terms, and that for this reason, Fujimori, who is already serving his second term, cannot be a candidate anymore.

Congresswoman Martha Hildebrandt, of the ruling coalition Change 90-New Majority, said that Fujimori's new reelection cannot be ruled out and that his possible candidacy "depends on the interpretation of the constitutional article."

Hildebrandt has thus referred to the interpretation which claims that Fujimori is now serving his first constitutional term after the 1993 Constitution, because after the coup he imposed in April 1992 he presided over a de facto government.

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Independent Congressman Rafael Rey has interpreted the presidential "joke" as "a strategy of the president to measure the people's reaction on the matter and to sound out the opposition."

Rey added, however, that Fujimori's possible candidacy would require a constitutional amendment which should be first discussed in Congress and then submitted to a referendum.

Other analysts said that the president's "joke" has coincided with the beginning of an apparent campaign by Presidency Minister Jaime Yoshiyama who dedicated an important hydroelectric project in the Department of Puno.

On dedicating the Acora-Ilave channel, Yoshiyama said he will visit that region every month to supervise the government works and promised that by the year 2000 all Puno provinces will have electricity and running water, services they have lacked for decades.

The same analysts recalled that the Yoshiyama's "new style" is unprecedented in the current government in which the ministers have always exhibited a very low profile.

One of the analysts said: "If Yoshiyama has come out of that profile and is maintaining a new working style, he has Fujimori's approval and is thus becoming a potential presidential candidate."

He added: "If to that we add Fujimori's joke, the opposition is now facing two possible government candidates, and will not know on which of them to focus their opposition work."

'Struggle' Within Ecuadoran Armed Forces Considered

PY2211010595 Lima EXPRESO in Spanish 17 Nov 95 p A8

[FBIS Translated Text] Washington—Sources of the Senate Committee for Supervising the Armed Forces have said that the Ecuadoran Army communique, which accuses the Peruvian daily EXPRESO of disseminating information that "could jeopardize the current peace process," reflects a struggle within the Ecuadoran Armed Forces which are divided into "hawks" and "doves."

The "hawks" are headed by Army Commander General Paco Moncayo, the "hard-liner" in relation to Peru; while the "doves" are headed by Army Inspector General Cesar Duran, who wishes to send moderate signals to Lima.

Senate sources indicate that Duran is a constitutionalist while it is believed Moncayo has totalitarian ideas.

(Editor's note: Two cables from Quito, which we publish on this page, confirm the U.S. analysis: Moncayo is "dissatisfied" with Ecuadoran democracy, while Duran believes relations with Peru are on the "right path.")

While Duran and his group believe the Itamaraty Peace Agreement is developing adequately, Moncayo insists that the Rio de Janeiro Protocol "cannot be implemented."

For example, in an article entitled: "The Upper Cenepa River Conflict" published in the latest issue of the Ecuadoran Armed Forces magazine, Mocayo says Peruvian diplomacy is "dishonest" and holds ex-Deputy Foreign Minister Eduardo Ponce responsible.

Moncayo says: "The relationship between Ecuador and Peru is extremely complex and perhaps it has never been objectively analyzed. It is a case of two antagonistic truths. One is objective, it lacks force to enforce it, while the other is forged in the ideological apparatus of the Peruvian state that is backed by force and imposed by the arrogance of the military oligarchy that governs Peru."

In his remarks, which analysts consider a provocation, Moncayo says: "The Inca empire and the vice-royalty greatly influenced the social conscience of Peruvians, especially the elite. It is a dream and a longing for past greatness, which dramatically contrasts with the frustrations of the past and the present."

Regarding the Rio de Janeiro Protocol, Moncayo says: "It did not help to reach the necessary peace. It has not been, it could not be, a factor for friendship and it did not even establish a clear border line. If the law were to prevail in international relations, that protocol would without doubt be completely null."

He added: "Contrary to what has been said, Ecuador has always rejected that void protocol. With this objective, Ecuador has proposed several possibilities: a revision of the protocol; the impossibility to implement the protocol, and the nullity of the protocol."

Referring to Peru, Moncayo says: "The method of the Peruvian Government and Armed Forces has always been to impose their truth through force."

Moncayo says: "The Peruvian presence in the entire Cenepa River basin is arbitrary until that area is demarcated in accordance with the law, even if it is done in accordance with the Rio de Janeiro Protocol which the Ecuadoran political leadership has recognized." Analysts believe Moncayo is giving the impression that the troops under his command are with him.

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Moncayo said: "The border limits on the Peruvian maps are also arbitrary and they want to impose them on us solely by force."

Uruguay

Anti-Fundamentalist Security Measures Implemented

PY2111215395 Montevideo EL OBSERVADOR in Spanish 31 Oct 95 p 5

[FBIS Translated Text] Although Foreign Minister Alvaro Ramos stressed that the Interior and Defense Ministries have taken extra precautions because Islamic fundamentalists have threatened to attack Israeli installations anywhere in the world, one high-ranking Interior Ministry official told EL OBSERVADOR that his ministry "has not taken any special action."

On 29 October, the Islamic Jihad group swore to avenge the assassination of it leader Fati al-Shaqaqi with attacks against Israeli installations anywhere in the world.

Ramos said the Defense and Interior Ministries are "already working on the matter" on the basis of information the Foreign Ministry obtained from abroad. He said: "This is the way the task is always carried out," adding: "It is the only way to ensure that the country is defended from possible attacks by fundamentalists."

He explained that although "the implementation of measures cannot be monitored, they are reinforced in cases like this."

A high-ranking Interior Ministry official stressed: "There has been no request in this respect from either the diplomatic or any other sector. No one has asked for special protection; not even the Hebrew or Zionist organizations have asked for protection."

Communications Firm Offers Direct Access to Internet

PY2111215795 Montevideo EL OBSERVADOR in Spanish 9 Nov 95 p 29

[FBIS Translated Text] Antel [National Telecommunications Administration] is offering direct access to Internet (Adinet) [expansion unknown] throughout the country at a special price as of 8 November. The price will be between 10 and 30 pesos, including value-added tax, per hour. Any client with a computer, a modem, and an adequate communications program—which Antel is willing to provide—can have access to Internet.

Venezuela

Burelli, Colombia's Pardo Discuss Solution to Dispute

PA2111195595 Caracas Venezolana de Television Network in Spanish 0200 GMT 18 Nov 95

[Passages within quotation marks recorded]

[FBIS Translated Text] Puerto La Cruz served as the site where Colombian and Venezuelan Foreign Ministers Rodrigo Pardo and Miguel Angel Burelli Rivas reaffirmed that common problems can be solved only through diplomacy because conflicts have been avoided thanks to the talks between the two nations.

For the 23d time, the delegations of Colombia and Venezuela reviewed the work done by the border commissions in light of the conflicts that have occurred in recent months because of the demarcation problems.

On this occasion, the participation of the media in the integration effort gained great importance and the foreign ministers mentioned this.

There are 36 places where there are demarcation problems along the 1,219 kilometers of the border. In the wake of the Perija incidents, the problems began again. Consequently, the meeting contributed to ease tensions and promote the spirit of the Colombian-Venezuelan integration.

The two foreign ministers use this climate to discredit any stand or opinion that could be interpreted as parallel diplomacy.

[Pardo] "There can be no talk of parallel diplomacy because the foreign ministries are the official voice of the states. What must be said is that when two countries have such great interdependency, such as that of Colombia and Venezuela, there are many sectors of their society that have ties with the other country and thus, opinions are expressed."

[Burelli Rivas] "Sometimes there are some who want to voice their opinion on matters that only correspond to the foreign ministry. This does not mean that there is parallel diplomacy because whatever the two foreign ministers say about their countries is what is valid."

Within this framework, the media's role is very important. For this reason, the possibility for the participation and commitment of journalists and media owners was left open, but always from an objective point of view.

[Burelli Rivas] "I do not think it is the media per se but program guests and columnists who write without thinking or knowing what they are writing about. They

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are those who stir things up. We are asking the media to help keep things under control."

[Pardo] "I believe that bringing the media into an integration process results in a positive action in addition to preventing any problems. If two societies are becoming integrated how are they not to integrate one of the most important sectors within those societies?"

In fact, the Colombian Congress proposed the creation of a bicameral parliamentary commission to prevent the spreading of unofficial statements on these issues.

[Colombian Senator Julio Cesar Turbay] "I think this is a clear response to this type of declarations, declarations that are isolated but are respected to the extent that congresses are the forums of democracy where people speak up their ideas and make proposals freely without anybody restricting the position of a congress member."

With regard to the economic and commercial areas, there was progress in the feasibility studies for a railroad line between Colombia and Venezuela. This line could cost approximately $600 million.

[Railroad enterprise President Luciano Hilzingure] "We have been working for several years to unite the two countries through the railroad system and permit the transportation of the coal from Norte de Santander Department to the ports in the southern lake region."

[Colombian railroad adviser Juan Carlos Canal] "It is railroad that would be operating in about five years. A study of the best route is being conducted here in Venezuela. In Colombia, we are studying the potential cargo that would be carried. These studies will be delivered in January."

These commissions must meet in Cartagena de Indias in approximately three months.

Media Seen 'Magnifying' Problems

PA2211042995 Caracas EL NACIONAL in Spanish 18 Nov 95 p A2

[Report by Gioconda Soto]

[FBIS Translated Text] The foreign ministers of Venezuela and Colombia, Miguel Angel Burelli Rivas and Rodrigo Pardo, respectively, said yesterday they were the foreign policy spokesmen for their respective countries. With this statement, they intend to stop the damage caused by a parallel diplomacy in bilateral relations. The officials also blamed the media for magnifying their common problems. The statements were made during a joint news conference offered by the foreign ministers within the framework of the 23d Presidential Commission on Border Affairs (COPAF) of Venzuela and Colombia that ended in Caracas today.

The only diplomacy that must prevail "is the one that emanates from the Foreign Ministry," because anything else "does not represent the foreign policy of the two countries," Burelli said. He said only the foreign ministers can validly explain the situation between both countries despite the fact there are voices that frequently intervene to explain situations that have to be explained by the Foreign Ministries.

Pardo said it is normal for many sectors in society to express views contrary to the ones presented by government when two countries are as interdependent as Colombia and Venezuela and have democratic systems. He warned, however, that those opinions cannot commit the government's policy, which is only expressed through its official spokesmen which, as far as foreign policy is concerned, corresponds to the foreign ministers.

Referring once again to the role played by the media, Burelli addressed the journalists, stating "the fate of the relations between the two countries is in your hands," and he recommended caution, "because there are no alternatives to understanding." When it was pointed out to him that journalists do not invent information and only report the positions given by several spokesmen, the Venezuelan foreign minister admitted he did not believe "the media per se are the ones who do this but, rather, program guests, and the people who write without thinking or without truly knowing the situation at hand are the ones who incense relations. We ask the media to show a will so that such things do not transcend and not to report with the same bias as those who give their opinions with a political or electoral mind."

Burelli added that the inclusion of the media in the Venezuela-Colombia integration process is so important that the countries are not only seeking the participation of the reporters but also that of media owners so they may also establish commitments. The technical group on the matter could not be installed due to a lack of quorum.

Colombia left open the possibility to avail itself of the protection clause in light of the implicit devaluation of the national currency after the Brady dollar reached a parity of 340 bolivares yesterday.

Despite Burelli's hope that the neighboring country will not have to resort to that measure, his Colombian counterpart clarified that he was in no condition to rule out the implementation of the exchange protection clause in this case, and he warned that the key aspect is that "there are instruments and mechanisms to overcome difficulties and preserve the long-term objectives."

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Burelli admitted that the situation caused by the increase in the Brady dollar will "greatly" affect Colombia in its commercial relations with Venezuela. "If the trade balance has been favorable to us thus far, this devaluation will give us an even greater edge," he added. He downplayed this situation, however, because he believes there are always risks involved in commercial relations with other nations.

Pardo agreed partly with this attitude by clarifying that Colombia deems integration and free trade with Venezuela, as well as the Group of Three [Colombia, Mexico, and Venezuela], as medium-term projects that imply an economic opening to export more but also to import more.

"I know we will experience short-term imbalances that will exert a negative impact on Colombia's trade balance, but the bilateral agreements and those with the Group of Three stipulate mechanisms to deal with these circumstances and preserve the long-term project, which is integration," Pardo said.

In the binational meeting, Colombian Senator Julio Cesar Turbay Quintero handed Venezuelan Deputy Segundo Melendez an invitation by the Colombian Congress to set up, with the Venezuelan National Congress, a special subcommission that will tackle the dialogue between Caracas and Bogota.

Melendez mentioned that in the coming hours, he will present the document to Congress President Eduardo Gomez Tamayo and added that definitely, in a few days, Venezuelan and Colombian congressmen "will sit to talk, because we have been working on this matter."

Both Turbay and Melendez urged the two parts to maintain a "culture of tolerance."

Central Bank Urges Measures To Reduce Fiscal Deficit

PA2111144795 Caracas Venezolana de Television Network in Spanish 0200 GMT 18 Nov 95

[FBIS Translated Text] According to the Central Bank of Venezuela, it is inappropriate to take exchange rate measures without the application of other mechanisms that can reduce the fiscal deficit, encourage economic growth, and reactivate monetary markets, Carlos Hernandez Delfino, director of the Central Bank of Venezuela, said during a seminar held at the bank.

During the seminar, Hernandez said the inflation rate is estimated at 51 percent. He said the Central Bank will not manage the dollars of the Exchange Administration Board and will not intervene in the Brady market, but the measures to be adopted must be urgent ones.

[Begin Hernandez recording] For some time we have insisted on the need to correct the exchange situation in the framework of a state economic policy program that can allow us to restore fundamental equilibrium to the Venezuelan economy. [end recording]

That is why Carlos Hernandez Delfino insists that the policies of the central government will be the ones to influence the monetary policy of the Central Bank of Venezuela.

New Exchange Board Members Schedule First Meeting

PA2111121195 Caracas Venezolana de Television Network in Spanish 1545 GMT 20 Nov 95

[Report by Franklin Villasmil]

[FBIS Translated Text] The new members of the Exchange Administration Board [JAC] will meet for the first time this afternoon, after being sworn in by President Rafael Caldera on Saturday. Deputy Development Minister Rafael Pena, Deputy Agriculture and Livestock Minister German Briceno, Foreign Trade Institute Director General Estela Hidalgo, and Finance Ministry Adviser Gonzalo Aguirre will have the responsibility—effective today—of authorizing foreign currency for the importers.

The new JAC board members will also continue with the process to render flexible the foreign currency system, and they will authorize the shipment of certain products that are being withheld in foreign ports.

[Mexico City NOTIMEX in Spanish at 1344 GMT on 18 November carries a Caracas datelined item which indicates Gonzalo Aguirre is chairman of the new Exchange Administration Board.]

Ex-FIV President on Resignation; Reaction Noted

PA2211030395 Caracas Venezolana de Television Network in Spanish 0200 GMT 21 Nov 95

[Passages within quotation marks are recorded]

[FBIS Translated Text] Carlos Bernardez on 17 November learned of President Rafael Caldera's decision to ask him to resign as president of the Venezuelan Investment Fund [FIV]. The resignation was presented, and President Caldera accepted it this morning and proceeded to swear in former Development Minister Alberto Poletto as the new FIV president. A grateful Bernardez said the FIV was in good hands and refrained from making any comment on his differences with the finance minister:

[Bernardez] "Many things have been said. In this case, the only truth is that the president asked me to resign, and I complied with his request."

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Alberto Poletto is returning to the government, because he believes the country needs help. He is aware the major challenge he will face is the privatization process, particularly the Guayana Corporation subsidiaries, an area in which Bernardez had already made considerable progress. He does not believe this change will affect negotiations with multilateral organizations or harm the country's confidence, but he believes the country must change its course regarding economic matters:

[Poletto] "By no means does this imply a change in the course of privatization. I am convinced the privatization process is an appropriate and necessary path for our country. If I make any change, it would only be to speed up this process as much as possible."

The coming year will be a good one for privatizations, as noted by Carlos Bernardez, who, before leaving his post as FIV president, announced that the invitations for the investment banks that would like to participate in the privatization of the Orinoco Iron and Steel Works will be sent on 21 November.

Reaction swiftly followed the resignation of Carlos Bernardez as FIV president. The Movement Toward Socialism [MAS] stated that Bernardez' resignation contributes to a more compact economic cabinet, a situation that might benefit our country in the negotiations with the IMF:

[MAS Secretary General Leopoldo Puchi] "This is part of this overall process of reshuffling the cabinet, which we consider necessary and indispensable for the government's reorganization and the implementation of the macroeconomic adjustment program. If this move is part of this process, we see it as a positive one."

Jorge Serrano, president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industry], believes otherwise, however. Serrano has said the resignation of the FIV president was regrettable, because he was promoting a very important process for the nation:

[Serrano] "I do not know why Carlos Bernardez was forced to resign as head of the FIV, at a time when he was in charge of a privatization process eagerly awaited by all Venezuelans."

Carlos Bernardez' resignation is quite worrisome, because it reflects the government's lack of unity, remarked Donald Ramirez, secretary general of COPEI [Social Christian Party].

COPEI says that the government does not have a compass in economic policy matters and that Bernardez' resignation is an upshot of its lack of coordination in this area. According to COPEI, the fact that former Development Minister Alberto Poletto is being appointed as new FIV president is another sign of poor government administration:

[COPEI Secretary General Donald Ramirez] "The privatization process, which had been handled by Bernardez, constitutes one of the fundamental pillars of the plan to implement an economic policy. Bernardez had announced just a few days ago that revenues would surpass $5 billion in 1996 as a result of privatizations. This change certainly affects our opinion of this program the government has been promoting since January."

COPEI also has suggested that the government consider the possibility of establishing a preferential dollar rate for the purchase of medicines. COPEI will also suggest and propose that the various congressional blocs not approve any new tax on any measure in this regard until the government presents a comprehensive tax plan.

Use of Counterfeit Identification Documents Viewed

PA2111193295 Caracas Venezolana de Television Network in Spanish 0200 GMT 18 Nov 95

[Report by Fernando Porte]

[FBIS Translated Text] According to Luis Salas, president of the Interior Policy Commission of the Chamber of Deputies, more than 60,000 citizens and their relatives involved in the crimes of drug trafficking, theft, and bribery come in and out of Venezuela with counterfeit identification documents.

The Interior Policy Commission is working along with the ONI-DEX [National Identification Office] and the state's security organizations. According to the investigations being conducted, there is reportedly information about well-known individuals in the financial, trade, and real estate world linked to drug trafficking activities.

[Begin Salas recording] The seriousness of the matter, the seriousness of the situation has forced us to take initiatives leading to forceful actions to fight this situation. That is why we are currently in communication with U.S. congressmen and in contact with the DEA. [end recording]

According to Luis Salas, the 60,000 drug traffickers and their families not only move around the country and around the world with their counterfeit identification cards, but when they feel like it, they use private jets for their illegal businesses.

Conversations with the U.S. Congress and the DEA have up to now been conducted through an exchange of letters. It is expected that in the next few hours a Venezuelan commission will travel to the United States or vice versa.

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